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30 December 1985

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## AUSTRALIA

### BRIEFS

LABOR PARTY PROTESTS PINE GAP--Labor Party members in central Australia will today deliver a letter to the Pine Gap defense base calling for an end to joint Australian and United States activities at the base. The letter sets October next year as the deadline when the lease agreement on the base is due for renewal. The president of the Gap branch of the Australian Labor Party, Mr (Brian Doolan), says the action is being taken because Pine Gap has a first-strike nuclear capacity. Mr (Doolan) says the base also undermines the independence of the Pacific region by its surveillance activities and is a major nuclear target. He says its continued operations also contradict key parts of Labor's foreign affairs platform. The prime minister, Mr Hawke, has said Pine Gap monitored nuclear explosions and the launching of missiles, but is not a military base. [Text] [Melbourne Overseas Service in English 0430 GMT 10 Nov 85] /8309

JAKARTA LAW OF SEA INTERPRETATION REJECTED--Australia has rejected Indonesian claims that the Law of the Sea Convention lends support to Indonesia's position over a territorial dispute with Australia. AUSTRALIAN ASSOCIATED PRESS last week quoted Indonesia's foreign minister, Dr Mokhtar, as saying the convention strengthened his country's position in negotiations over so-called Timor Gap, south of East Timor. The Timor Gap is a break in the seabed boundary between the two countries left unresolved during negotiations in the 1970's. A spokesman for the Australian Department of Foreign Affairs has told a Radio Australia Melbourne correspondent that Australia does not accept the view that the 1982 Law of the Sea Convention strengthens Indonesia's case. Indonesia has announced it will ratify the convention this month while Australia has not yet said it will ratify the treaty. The spokesman said Section 83 of the convention's provisions says territorial boundaries shall be determined equitably and the interpretation of the word was the key to Australia's reading of the convention. [Text] [Melbourne Overseas Service in English 0830 GMT 9 Dec 85] /8309

CSO: 4200/381

RESULTS OF INDONESIAN, TAIWAN CHAMBER OF COMMERCE MEETING

Jakarta ANTARA NEWS BULLETIN in English 4 Nov 85 pp A2, A 3

[Text]

Jakarta, Nov.3 (ANTARA).-- Indonesia offers oil and gas products and non-oil/gas products such as plywood, rattan and other commodities to Taiwan.

This offer was made by Indonesia's Chamber of Commerce and Industry (Kadin) in a meeting with its ROC (Republic of China) counterpart here Saturday.

The meeting, a follow-up of a previous gathering in Taipei last August, was opened by Kadin Chairman Sukamdani S.Gitosardjono.

In a joint communique, issued at the end of the meeting Saturday night, Chairman of the Indonesian Kadin of Taiwan Committee Suhendro Notowidjojo said that both sides agreed the need to realize a more profitable bilateral economic cooperation.

Indonesia also offered opportunity for investment to Taiwanese businessmen, particularly in the field of agriculture, and fishery horticulture.

In return, Taiwan offered its capital and experts in the field of marketing and technology.

For example, Taiwanese experts led by Gen.Danny Chang arrived to help develop bamboo industry in Indonesia.

The meeting was participated in by 166 businessmen from Indonesia and Taiwan. The delegation of the Chinese National Association Commerce and Industry (CNAIC) is led by Jeffrey Koo.

The joint communique also voiced the need to dissolve protectionism, so as to smooth the flow of international trade for the benefit of all sides.

Prof.Moh.Sadli, former minister of mines and energy, spoke on the latest economic situation in Indonesia at the meeting.

Indonesia-Taiwan trades

In a speech chairman of the Indonesian Chamber of Commerce and Industry Sukamdani S.Gitosardjono said that over the past five years trades between Indonesia and Taiwan were relatively balanced, though sometimes it was more profitable to Indonesia.

Indonesia's export to Taiwan in 1980 was noted at US\$539 million, but the figure dropped to US\$467 million in 1981. It again fell to US\$259 million in 1982 and rose to US\$345 million in 1983, and in 1984 increased to US\$423 million.

Exports of Taiwan to Indonesia in 1980 was recorded at US\$478 million. This figure dropped to US\$423 million in 1981 and remained at US\$423 million in 1982. The figure steadily rose to US\$429 million in 1983 but fell to US\$346 million in 1984.

Indonesia's exports to Taiwan consisted of plywood, honey, rattan, coffee, crude oil, as Taiwan's exports to Indonesia were machineries, transportation facilities, steel, electric equipment, textile fibres and chemical substance.

During the meeting Indonesia offered good investment opportunity to prospective investors of Taiwan.

The chairman of CNACI, Jeffrey Koo, in his speech said he would be ready to assist Indonesia by sending its experts in the field of agriculture, fishery and industry in the framework of enhancing bilateral economic relations.

/9274

CSO: 4200/384



BATAN CHIEF ADDRESSES INDONESIA-JAPAN NUCLEAR SEMINAR

Jakarta ANTARA NEWS BULLETIN in English 5 Nov 85 pp A2, A3

[Text]

Jakarta, November 4 (ANTARA).- The Director General of the National Atomic Energy Agency (BATAN), Ir.Djali Ahimsa, has said that the results of the BATAN's research on a Nuclear Powered Electricity Plant (PLTN) will be transferred to the National energy Coordinating Body (BAKOREN) in 1986.

Addressing a Japan-Indonesia nuclear seminar at the Mandarin Hotel here Monday, Ahimsa said that the BATAN is currently conducting a feasibility study on a nuclear energy electricity plant as a follow up of one carried out in 1979.

The results of the study which is expected to end March-April 1986 will serve as a consideration for the government to determine whether or not it is important for Indonesia to set up a nuclear powered electricity plant.

He said that it was not an easy task to achieve the purpose of the study. The experiences of the developing as well as the advanced countries showed that the study on nuclear energy involved various different, even often contradictory considerations and purposes, he added.

Ahimsa said that the economic situation and the uncertainty of the world today had created unfavourable climate.

Meanwhile, Masahiro Nishibori, from the Japanese Atomic Energy Commission (JAEC), in his address said that the JAEC felt it was important to enhance bilateral cooperation in the field of nuclear energy to meet the demand of developing countries in the future.

Such a cooperation should be done comprehensively on a long-term and mutually beneficial basis.

He said that the research, development and the use of atomic energy in Japan were carried out only for peaceful purposes and were held in cooperation with other countries.

/9274

CSO: 4200/384

NUCLEAR EXPERTS EXCHANGE WITH JAPAN TO BE PROMOTED

Jakarta ANTARA NEWS BULLETIN in English 6 Nov 85 p A5

[Text]

Jakarta, Nov. 6 (ANTARA).-- The use of isotope and exchange of experts between Japan and Indonesia need to be further promoted in the future, Djali Ahimsa, Director General of the National Atomic Energy Agency (BATAN), concluded the Indonesia-Japan nuclear seminar here Wednesday,

Ahimsa said Japan has so far provided neutron diffraction meter for the nuclear reactor project at Ruspiptek (centre for research, sciences, and technology). The instrument is used for researches, especially in metallurgy.

According to him, Japan is one of the most advanced countries in technology. It has developed the light water reactor created by the United States into advance light water reactor system.

There are two commercial nuclear technology systems at present, namely the light water reactor, which was first manufactured in the United States, and the pressurized heavy water reactor, manufactured in Canada.

Atomic bomb

A Japanese participant in the three-day seminar, S. Nagai, mentioned that Japan is the only country which has suffered from the atomic bomb tragedy.

Therefore, Japan has stressed in its commitment not to distribute nuclear weapons, but to promote nuclear for peaceful aims, like in the form of nuclear energy.

He reminded that technology can damage or increase human life. It all depends on the way it is used.

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CSO: 4200/384

SIEMENS OFFERS COOPERATION IN NUCLEAR POWER PLANT

Jakarta ANTARA NEWS BULLETIN in English 4 Nov 85 p A2

[Text]

Jakarta, Nov. 4 (ANTARA).- Siemens, West Germany company that have been operating for more that a century in Indonesia, was offering cooperating with Indonesia in the field of nuclear power plant, it was reported here Monday.

President Director of Siemens Dr. Karl Heinz Kaske told reporters after paying a courtesy call to President Soeharto at Bina Graha Presidential Office that he had notified the head of state on the possibilities of co-operation between Siemens and Indonesia in various fields especially in the field of nuclear power plant.

In the 30 minutes meeting Kaske had explained to President Soeharto on the developments and activities of Siemens covering such fields as electronics, electricity, medical equipments as well as electrical power including nuclear plant.

Kaske said that Siemens have transfered nuclear technology in Brazil the transfer of which have been being exploring in Indonesia.

Siemens according to Kaske have been operating in Indonesia for more that a century. It has had cooperation with among others PT. Inti in Bandung which deals in electronics.

Kaske said that in the meeting with President Soeharto he have had the information on the outline of development program in Indonesia included industrial development. Minister of Mines and Energy Prof. Soebroto has also attended the meeting.

Kaske who have had a tour of Bali and Borobudur said that he was impressed with the beautiful scenery and development being progressed in Indonesia.

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CSO: 4200/384

**DIRECT TRADE WITH PRC YIELDS \$33 MILLION SO FAR**

Jakarta ANTARA NEWS BULLETIN in English 6 Nov 85 p A1

[Text]

Jakarta, Nov. 6 (ANTARA).-- The realization of direct trade between Indonesia and People's China has reached a value of US\$33 million since the signing of a Memorandum of Understanding between the Indonesian Chamber of Commerce and Industry (KADIN) and the Chinese Commission for Promotion of International Trade (CCPIT) in Singapore on July 15, 1985.

Speaking to the press here Tuesday, KADIN General Chairman Sukamdani Sahid Gitoardjono stated further that the Indonesian export commodities comprised sawn timber, rubber, plywood and rayon yarn.

The first Chinese freighter that entered Pontianak port on October 17, 1985, had 7,000 tons of sawn timber in her holds.

The second one is scheduled to arrive at Belawan November 10-11 for the shipment of 3,000 tons of rubber and cardamom.

The direct trade had been agreed upon when the governments of both sides received the note of approval on MOU on July 29, 1985.

No Indonesian merchant vessel has carried Indonesian export commodities to the PRC because they would have nothing to carry on their way home from that country, while the Chinese freighters entering Indonesia are actually on their journey back to China in scheduled services.

A Chinese shipping delegation had recently visited Indonesia to see what facilities Indonesian seaports have to offer. They visited Tanjung Priok (Jakarta), Ujungpandang (South Sulawesi), Pontianak (West Kalimantan) and Belawan.

Indonesia has up till now not purchased products from the PRC, while Indonesian purchases of Chinese cotton is still being negotiated.

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CSO: 4200/384

TRADE BALANCE WITH GDR IN LAST FIVE YEARS

Jakarta ANTARA NEWS BULLETIN in English 1 Nov 85 p A 11

[Text] Jakarta, 1 Nov (ANTARA)--The trade balance between Indonesia and East Germany in the last five years has always been in favour of Indonesia with the exception of 1982, when it recorded a deficit of about 0.55 million U.S. dollars according to data obtained by ANTARA from the ministry of trade here Friday.

The Indonesian export value in 1980 stood at 13.03 million U.S. dollars, while Indonesia's imports from East Germany at U.S.\$4.86 million, which was a surplus in Indonesia's favour of U.S.\$8.17 million.

In 1981 Indonesian exports from East Germany recorded a value of U.S.\$9.88 million, while Indonesian imports stood at U.S.\$4.86 million, or a surplus of U.S.\$5.02 million.

In 1982 Indonesian exports to East Germany stood at U.S.\$4.73 million, while Indonesian imports from that country at U.S.\$5.28 million, or a deficit of U.S.\$0.55 million for Indonesia.

In 1983 the value of Indonesian exports to East Germany recorded U.S.\$10.50 million and Indonesian imports from East Germany U.S.\$8.99 million, which was a surplus of U.S.\$1.51 million for Indonesia.

Indonesian exports to East Germany in 1984 recorded U.S.\$8.35 million and Indonesian imports U.S.\$2.26 million, a surplus for Indonesia of U.S.\$6.09 million,

The biggest surplus for Indonesia was acquired in 1980, viz. U.S.\$8.17 million.

Indonesian export commodities to East Germany consisted mainly of rubber, coffee and pepper, while commodities imported by Indonesia from East Germany mainly of capital goods and industrial basic material, such as chemicals.

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CSO: 4200/383

TRADE UNION LEADER'S EXECUTION CRITICIZED AT CONFERENCE

HK100926 Hong Kong AFP in English 0756 GMT 10 Dec 85

[Text] Jakarta, 10 Dec (AFP)--Two delegates at an international trades union conference here have strongly criticized Indonesia's execution of a pro-communist trade union leader in May.

"We condemn the murder of the veteran leader of Indonesian trade union, Munir, vice-president of WFTU (World Federation of Trades Unions)," Emilian Hamerik, representing the WFTU, told the 10th Asian Conference of the International Labour Organisation (ILO) yesterday.

Mr Munir, former president of Indonesia's pro-communist trades union SOBSI [Union of All Indonesia Labor Organizations], was a member of the Indonesian Communist Party, blamed for an abortive coup in 1965 and his execution was followed in July by those of three other party officials.

Mr Hamerik called on Indonesian Labour Minister Sudomo, chairing the conference, to pledge that his government would take all measures to stop further such actions, saying they were "incompatible with trade union fundamental rights and ILO principles." V. S. Mathur of India, representing the International Confederation of Free Trades Unions (ICFTU), said the organisation was "shocked and highly disturbed" to learn of the execution.

The two delegates had planned to launch a petition on Sunday protesting Mr Munir's execution, but other delegates urged them not to provoke the host-government, highly reliable sources said.

The Indonesian WFTU delegate said today that Mr Hamerik's statement represented the Czechoslovakian speaker's own views and did not stand for those of the whole organisation.

The conference, on a professional training and employment for the physically handicapped, is due to end Saturday.

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CSO: 4200/377

LNG EXPORTS TO JAPAN

Jakarta BUSINESS NEWS in English 8 Nov 85 p 4

[Text] The expansion of the Arun LNG plant carried out by the state-owned oil company Pertamina from 1980 to 1983 is in the framework of the agreement for the supply of liquefied natural gas (LNG) to two Japanese companies, namely The Tokyo Electric Power Co., Inc., and The Tohoku Electric Power Co., Inc.

The contract for the supply of LNG by Pertamina to the two Japanese companies was signed on 27 April, 1981. Based on the contract, Pertamina ships 3.3 million metric tons of LNG to Japan every year.

LNG exports have produced a large amount of foreign exchange earnings for Indonesia. The shipment of LNG from Indonesia to Japan rose from 39 tons in 1980 to 41 million tons in 1984. Indonesia's earnings derived from LNG supply to Japan soared from around U.S.\$5,000 million in 1979 to U.S.\$1,355 million last year.

LNG exports from Indonesia (Arun) to Japan stood at 39,855,580 tons in 1980, 36,008,922 tons in 1981, 38,906,209 tons in 1982, 37,293,023 tons in 1983 and 41,095,855 tons in 1984; and the export value, based on data obtained from BPS (Central Bureau of Statistics), was U.S.\$538.6 million in 1979, U.S.\$1,243 million in 1980, U.S.\$1,367.1 million in 1981, U.S.\$1,424.8 million in 1982, U.S.\$1,313.8 million in 1983 and U.S.\$1,355 million in 1984.

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CSO: 4200/383

EDITORIAL VIEWS ECONOMIC RELATIONS WITH TAIWAN

Jakarta BUSINESS NEWS in English 6 Nov 85 pp 3, 4

[Editorial]

[Text] A meeting between Kadin Indonesia and its Taiwanese counterpart was held here this weekend. The meeting was successful in terms of the number of participants from both sides (nearly two hundreds). The interesting question is: what is the importance of economic relations between these two countries?

Taiwan is one of the newly industrializing countries (NICs), one that is developing into an industrialized country. Its per capita income is about four times Indonesia's. Its economic growth rate, before the recession of 1982, was very high, frequently approximating 10%, and averaging 8-9% per annum. Taiwan has a relatively small population that its export value is bigger than that of Indonesia, which is an OPEC member. Taiwanese exports mainly comprise light industrial products such as textile, garments, footwear, sport articles, electronics and electric appliances. But Taiwan has also succeeded in building up basic and heavy industries and is capable of exporting chemical basic materials (e.g. polyester fibre to Indonesia), steel, capital goods and ships.

Taiwan's population is smaller than South Korea's, but the two have equal economic capacities. In the strategy of economic development there are significant differences between them. South Korea, relatively younger, has a more aggressive economic attitude and more courage to take risks. One of the consequences is the level of its foreign debts, which is far higher. A major recession can put South Korea in debt servicing difficulty. On the other hand Taiwan has small foreign debts and at present it is in fact a capital exporter. Taiwan is far more stable.

Taiwan's policy pattern more relies on government direction and intervention and the sector of state corporations is big and strong. The foreign exchange regime is not at all free, though there has long been no reason to maintain it. Domestic banks are state banks. Conversely, South Korea depends more on the growth of the private sector.



Strangely, despite the difference in the economic development policy pattern each of them succeeds in achieving a higher growth rate. This serves to prove that though Taiwan has a vast sector of state companies and its government intervention is also intensive, the quality of its economic policies is high.

Taiwan has since 1982 experienced a fluctuating trade cycle like that found in Indonesia. Its economic growth dropped considerably in 1982 (to around 3%). Another rise took place thereafter. In 1984 Taiwan reached a very high growth rate, almost 11%. But the projection for 1985 becomes again low, possibly between 4-5% only. The ups and downs of the trade cycle follow the economic fate of the U.S. This movement of the trade cycle looks very much like the experience in Indonesia.

In Taiwan there has now arisen the spirit of introspection to find out the root cause of its economic weakness (apart from the effect of the U.S. recession). The business sector has much voiced the idea of "deregulation", which expects a backstep in the role of the government.

How about the economic ties between Indonesia and Taiwan? The growth in foreign trade is fact: over the last decade it has more than doubled. The import and export value once reached (almost) one billion U.S. dollars. However, the recession since 1982 has also reduced the trade volume. At present bilateral trade involves about U.S.\$750 million, and it favours Indonesia because of the presence of crude oil exports. Several years from now facilities for LNG exports will be ready and energy material exports from Indonesia will be increasing even further.

The interesting aspect is the growth of complementarity between the two economies. On the one hand there is a developing nation whose level of industrialisation is not so high but it possesses abundant natural resources; in addition, Indonesia's import needs are always growing especially for the category of basic materials for industries and machine tools.

On the other, there is a NIC with its ever rising demand for energy and basic materials for its industries. Besides, food material imports continue to increase. The wage level in NICs also goes up swiftly so that their competitiveness in conventional labour-intensive industries will be declining. Hence Indonesia enjoys the opportunity to take its place, but competition posed by the PRC is not to be ignored.

/9274

CSO: 4200/383

DROP IN JAPAN'S CRUDE, LPG IMPORTS REPORTED

Jakarta ANTARA NEWS BULLETIN in English 5 Nov 85 p A8

[Text]

Tokyo, November 5 (ANTARA).- Japan's imports of crude and LPG from Indonesia until last September declined if compared with the same period of last year.

Import of crude from Indonesia went down by 13.1 per cent from 4.656 million barrels to 3.51 million barrels. Its shares of all Japan's crude imports declined from 13.1 per cent to 11.54 per cent.

The Indonesian oil importers in Tokyo predicted that Japan's import of oil from Indonesia this year will fall from the corresponding period of last year.

Japan's import of LPG from Indonesia over the first eight months of this year (until August) was down to 248,000 metric tons compared to last year's 325,000 metric tons.

Negotiation is underway between Indonesia and Japan for the enhancement of import of LPG from Indonesia. Indonesia hopes that this meeting will increase export of LPG to around 2.1 metric tons a year in the future.

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CSO: 4200/384

STANVAC NEW OIL FIND IN SOUTH SUMATRA

Jakarta ANTARA NEWS BULLETIN in English 2 Nov 85 A 1

[Text] Jakarta, 2 Nov (ANTARA)--Pertamina Public Relations and Foreign Affairs announced Friday that PT Stanvac Indonesia has recently discovered oil in the Jene-1 exploratory well, Jene-1 is located approximately 160 kms. west of Palembang in Stanvac's Contract of Work area in South Sumatera.

On tests of 12-18 hours each, three separate perforated intervals between 1765,5 - 1829 meters each, flowed about 1,000 barrels per day of clean oil through a 3/4-inch choke with low gas oil ratios. API gravity was 35-36 degree.

Additional drilling is planned to appraise the discovery.

Stanvac operates in Sumatera under both Contract of Work and Production Sharing Contract with Pertamina. The company is jointly owned by Esso Eastern (a wholly owned affiliate of Exxon Corporation) and Mobil Oil Corporation, each holding a 50 percent interest. Esso Eastern acts as the operator.

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CSO: 4200/383

TAIWAN TO ASSIST IN EXPLOITATION OF NATURAL RESOURCES

Jakarta BUSINESS NEWS in English 8 Nov 85 p 9

[Text] Taiwan is prepared to assist Indonesia in the utilization of natural resources and human resources as part of the effort to accelerate economic development in this country. This was disclosed by the head of the Indonesia Committee, the China National Association of Industry and Commerce, Jeffry L. S. Koo, after the first meeting of the Taiwan-Indonesia Joint Economic Committee here recently.

The meeting, taking place here earlier this month and attended by 46 Taiwanese businessmen and 120 Indonesian businessmen, decided the second meeting of the joint committee would be held in Taipei at the end of September 1986.

The meeting discussed opportunities for cooperation between Indonesia and Taiwanese businessmen in the fields of agriculture, fishery, finance, service, tourism, trade and investment.

Tony Agus Ardie of Kadin said meanwhile that after exchanging views for three months, both sides reached agreement in the selection of five pilot projects to be jointly examined to seek the possibility of engaging in cooperation.

The five projects involve bamboo, timber, cassava, honey and canned food. In this connection, a Taiwanese team arrived here on October 22, 1985, for a ten-day visit to Indonesia. The Taiwanese team, accompanied by Indonesian officials, visited East Nusatenggara to see bamboo and honey projects and Kalimantan to inspect cassava, timber and canned food projects.

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CSO: 4200/383

PERTAMINA REPORTS NEW GAS FINDS

Jakarta ANTARA NEWS BULLETIN in English 8 Nov 85 p A6

[Text]

Jakarta, Nov. 8 (ANTARA).-- Pertamina's third exploration and production unit, which covers Java, Madura, Bali, West and East Nusa Tenggara (NTB and NTT) and East Timor, has discovered gas through its PSJ-P2 well in the northern part of West Java.

PSJ-P2 well, a deliniation well in the Pasirjadi prospecting area is situated about 21 kms northeast of Purwakarta or one kilometer north of the Purwakarta-Subang highway. The prospecting site was discovered through seismic confirmation by Pertamina in 1973 and 1982.

Work at the PSJ-P2 well started on August 27, 1985 and has reached the projected depth of 1,085 meters on October 2, 1985.

Tests completed on October 17 produced a cumulative production with a capacity of 9.25 million cubic feet of gas per day.

Based on the latest mapping out, west of the Pasirjadi prospecting area lies an other prospecting area which will be included in the coming 1986/87 drilling program.

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CSO: 4200/384

BRITONS REPORTEDLY INTERESTED IN INVESTING IN AGR@BUSINESS

Jakarta ANTARA NEWS BULLETIN in English 5 Nov 85 p A3

[Text]

Jakarta, Nov. 5 (ANTARA).- Britain is very interested in capital investments in Indonesia, particularly in the chemical and construction industries as well as in shipbuilding and agro-business, BKPM (Investment Board) Vice Chairman Eddy Sanyoto said here Monday.

Sanyoto was speaking to the press after accompanying Junior Minister for Promotion of Domestic Products concurrently Chairman of BKPM Giranjar Kartasasmita at a meeting with a British investment and trade delegation led by Lord Remnant.

Giranjar at the meeting offered various investment projects available in the DSP (list of priorities), covering also agro-business and the construction of infrastructure, such as bridges and toll roads.

John Fletcher, a member of the delegation, representing one of the companies engaged in the building of the seabed tunnel under a British-French project, had expressed keen interest in the construction of a bridge which will link Sumatera to Java islands.

The British businessmen also asked for permission to conduct a feasibility study of the bridge project.

Minister Giranjar said the government, in principle, has no objection, but if the project turns out to be feasible, the British contractors will have to cooperate with PT Jasa Marga.

Follow up

British Ambassador to Indonesia Alain Donald, meanwhile, said on the occasion that the current visit of the investment and trade delegation was a follow-up of Prime Minister Margareth Thatcher's visit to Indonesia, as Britain was interested in expanding economic and trade cooperation with Indonesia on the basis of mutual benefit.

The 11-member delegation consisted of representatives of major industrial enterprises having to do with engineering, electric appliances, automotive industry, aviation equipment, chemicals and food processing industries.

In the course of their weeklong stay in Indonesia, the British businessmen will meet President Soeharto, Minister of State for National Development Planning and Chairman of the National Development Planning Board, Sumarlin, Trade Minister Rachmat Saleh, State Minister for Research and Technology Habibie, Coordinating Minister for the Economy, Finance and Industry and Development Supervision Ali Wardhana, and Finance Minister Radius Prawiro.

British investments in Indonesia up to the end of March 1985 amounted to US\$.430.03 million in 51 projects. Most of the investments are in the chemical and food processing industries.

AUSTRALIA PROVIDES AID FOR DEVELOPMENT OF AGRICULTURAL EDUCATION

Jakarta ANTARA NEWS BULLETIN in English 1 Nov 85 p A 9

[Text] Jakarta, 1 Nov (ANTARA)--The Australian government has provided Indonesia with a Rp 12.14 billion aid for the development of agricultural education.

The aid memorandum was Friday signed by Australian Ambassador to Indonesia Bill Morrison and Director General of Higher Education Prof. Dr. Sukadji Ranu Wihardjo, both on behalf of their respective governments.

Ambassador Morrison said in his address that the Australian aid is designed for the development of training in agriculture in Indonesia, particularly at the Bogor Institute of Agriculture which plays a significant role as the country's centre of agricultural education.

He said Indonesia's agricultural potential should be realized through the educational development to yield skilled and educated personnel to develop the country's agriculture in line with the national agricultural development programs.

That's why the Bogor Institute of Agriculture must step up its ability so as to be self-dependent, said the ambassador.

Apart from that, the Australian government will also given an opportunity to 60 senior and 50 junior lecturers of the Institute to study in Australia.

Meanwhile, Sukadji said the aid is very useful considering that a large part of Indonesian citizens now still earn a living from agriculture.

He hoped the aid would bring closer the relations between the two countries.

Other Forms of Assistance

The Australian government has so far provided many forms of assistance to Indonesia, especially in the agricultural area such as research program for animal husbandry development in the Ciawi-based research institute for animal husbandry production.

The aid to the institute has been given since 1972, covering funds as much as Rp 26 billion. Other forms of assistance are notably a construction of a reference laboratory in the Bogor-based research institute of animal diseases, a diagnostic centre and a library.

FERTILIZER OUTPUT IN 1985/1986 EXPECTED TO MEET DEMAND

Jakarta ANTARA NEWS BULLETIN in English 4 Nov 85 p A4

[Text] Jakarta, 3 Nov (ANTARA)--The fertilizer production in 1985-86 is expected to meet the increasing demand of this artificial manure both for domestic consumption and export, although for TSP type the production is slightly lower than its demand.

TSP production in 1985/86 is estimated to reach one million tons, while the demand can stand to over one million tons, a source of the Indonesian Fertilizer Producers Association (APPI) said here Saturday.

For urea fertilizer the production can reach four million tons, but the demand for this manure is still low, while for ZA fertilizer the production and the demand can reach one million tons, the source added.

Last year Indonesia exported 202,000 tons of urea, 33,000 tons of STP, 178,000 tons of ammonia to other Asean countries, Bangladesh, India, Sri Lanka, Hongkong, Korea, Taiwan and Japan.

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CSO: 4200/383



## ACHIEVEMENTS OF PARTY, ARMED FORCES REVIEWED

BK081326 Vientiane Domestic Service in Lao 0430 GMT 2 Dec 85

[Editorial: "10 Years of Great Achievements and Victories in National Defense and Socialist Construction in Laos"]

[Text] Our Lao nation ushered in a new era in the historical year 1975 following the glorious success of the uprisings to seize power throughout the country in May 1975. On 2 December that year, the National Congress of People's Representatives in Vientiane adopted resolutions dissolving the outdated monarchical system and completely doing away with all vestiges of the system; establishing the LPDR; setting up the SPC; forming the LPDR Government; and officially defining the national flag, national anthem, and the official language of the Lao nation. This great victory was a turning point in the history of progressive change in our Lao nation.

Looking back over the past 10-year period, we are elated at and proud of the victories and achievements of our people in the historic period of struggle to defend the country and build socialism. Through persistent and undaunted revolutionary struggle, in a lofty spirit of sacrifice for more than 20 years against the imperialist aggression, our people scored numerous victories and finally completely liberated the country. Our people then led the nation to elegantly march forward along the path of socialism. The LPDR system has been set up throughout Laos. Its great use has been promoted and expanded in the cause of defending and building a prosperous and strong Laos. Under the new system, all sabotage and subversive schemes of the enemies have been smashed and the proletarian dictatorship state has been securely defended. As a result, the well-known truths of Lenin--the truth about genuine, precious revolution, the truth about self-defense, the truth about maintaining combat readiness and fighting victoriously, and the truth about carrying out construction while carrying out resistance along with the rehabilitation of the country--have been clearly seen in actual practice. In the darkness of the enemies' general scheme of sabotage and subversion, our people have continued to [word indistinct] building and transforming the economy and carrying out the socialist agricultural and industrial work, thereby scoring great and satisfactory achievements.

In our nation today, the exploitation of man by man has been eliminated and the socialist economic system has been set up in its place. Industry and agriculture have been further developed with each passing day while progress has been achieved in the fields of culture and education. Even though many difficulties remain, the material life of the people has been tranquilized and gradually settled and improved while the spiritual life has been effectively promoted. The shape of our nation has been basically changed.

In the foreign affairs field, despite the imperialists' and international reactionaries' striving to oppose and sabotage the LPDR, our Lao nation has maintained an ever higher level of status and prestige in the international arena. In a spirit of sacrifice to fight for national independence and socialism and making a resolute contribution to the world people's revolutionary cause, our Lao people have drawn trust, sympathy, and vigorous support and assistance from progressive mankind throughout the world.

After 10 years of carrying out the revolution, our people maintain their persistent spirit of heroic and undaunted struggle while our state, having carried off a great role, has become a state of people who have learned how to maintain and manage the cause of defending and building the country ever more effectively, develop the economy and culture, and improve the living conditions from day to day. Our state is a new type of state of laboring people of various tribes. Under the party's leadership, on the firm basis of the worker-peasant alliance the great, combined strength of the entire people has been organized and encouraged. This strength has been used in the cause of defending and building the country. Closely adhering to the new system, our people have enhanced the spirit of collective mastery and a spirit of sacrifice to fight. Our people have also industriously labored to safeguard, promote, and expand the revolutionary gains and to defend and build a prosperous and strong country.

Through the fierce and furious path of struggle over the past 10 years, our state has now been unprecedentedly strengthened. It has maintained sufficient capability to settle difficult problems to march forward to a bright future of socialism. Under the beacon of correct and creative guidelines for a strategy of developed economy consolidating the national defense potentials as adopted in the third party congress to successfully fulfill the two strategic tasks of defending the country and building socialism, our entire party, people, and army are determinedly marching forward. Following the principle that the party leads, the state manages, and the people are masters of society, a new strength and a new position have been created while the economic and social situation in the country has been changed favorably. Our party is a genuine Marxist-Leninist party which has gained experience in the revolutionary struggle and has daily gone even farther along the path of firmly grasping various objective laws of the cause of economic and social construction and development.

The apparatuses of the proletarian dictatorship state under the party's leadership have overcome the trials of fierce, complicated, and furious struggle. They have clearly proved their strength and ability to protect the country and continuously transform their organizational and management work in order to accomplish the historic, glorious tasks and responsibilities in the new stage of revolution. To increase and strengthen further the role of the proletarian dictatorship state, the following concrete objectives have been adopted: Vigorously promote and expand the people's rights to collective mastery while translating into reality the unification of actions to guarantee work efficiency, and implement a unification system in carrying out the guidance and management work of the central level to deal with all important issues throughout the country. Simultaneously, various localities and grassroots must take a creative initiative in carrying out tasks. The quality and efficiency of the state apparatuses are closely related to developing the contingent of leading and managing cadres, specialized cadres, and professional cadres who must also maintain good political qualifications, maintain strength and ability at a high level, and effectively implement the party's instructions. The cadres must act purely in the service of the people. Our party has always developed and trained the cadres in the academic field and has guided them to determinedly oppose all bureaucratic practices and to avoid violating the people's rights to collective mastery. Our party has developed and trained each and every cadre and state employee in the state apparatuses to maintain a spirit of revolutionary enthusiasm, a high spirit of responsibility, and concrete intelligence to exploit, promote, and expand various potentialities of the nation in order to create vigorous changes in the social life in all respects.

It is stipulated in the resolutions of the party Central Committee, in particular in the seventh resolution, that a determination must be made to do away with a bureaucratic system of issuing orders and to correctly implement the democratic centralization system. It is also necessary to implement the socialist mode of economic and business management. To achieve broad and significant limits in both theory and actual practice is to mark a new step of development of our party and state on the path of acknowledging the creative use of objective economic rules in the practical conditions of Laos. Reviewing the experiences of the party and state in guiding and managing the economic and social work in the initial stage of the transition to socialism under the beacon of the resolutions, our party has ceaselessly promoted and expanded the victories it has achieved while pursuing many policies and new measures with a view to boosting production in order to tranquilize and gradually improve the daily life of the people and strengthen the economic and national defense potentials of the country.

Founded and developed at the start of the revolution under the party's leadership, our various people's armed forces are elated at and proud of the various great and glorious achievements of our nation in the past 10 years. We see that our nation of today is stronger than ever before. Serving as a sharp tool of the proletarian dictatorship state, our party

is determined to continuously promote and enhance the combat strength to resolutely smash all sabotage and subversive schemes and acts of the enemies in nibbling at the border and to securely defend the country. The various armed forces have also joined with other forces in maintaining political tranquility and social order while contributing to building the country, developing the economy, and enhancing the overall strength of the nation.

At present, our nation is maintaining its independence, freedom, and democracy and is advancing to socialism. We are determined to safeguard and increasingly promote and expand the revolutionary gains, securely defend and build a prosperous and strong country and build socialism, and contribute to safeguarding peace and stability in the region and the world.

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CSO: 4206/30

## LEADERS' GREETINGS MESSAGE ON LAO NATIONAL DAY

BK071259 Vientiane Domestic Service in Lao 0000 GMT 5 Dec 85

["2 December" greetings message from "Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK State Council; Comrade Chea Sim, chairman of the PRK National Assembly; and Comrade Hun Sen, chairman of the PRK Council of Minister," "Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers; and Comrade Souphanouvong, president of state and chairman of the SPC of the LPDR"]

[Text] On the occasion of the commemoration of the 10th founding anniversary of the LPDR, on behalf of the KPRP Central Committee, the National Assembly, the State Council, the Council of Ministers of the PRK, the entire Cambodian people, and in our own names, we are overwhelmingly happy to extend our warm and sincere fraternal tribute and congratulations to you, comrades, and through you, to the LPRP Central Committee, the SPC, the LPDR Government, and the fraternal Lao people.

December 2 this year marks the 10th founding anniversary of the LPDR. December 2, 1975 was an exceptional historic event marking the victorious end of the Lao national-democratic revolution, and opening a new glorious era in the history of the Lao people--the era of genuine independence, freedom, and socialism which are the most noble ideals of our epoch. That victory not only did away completely the regime of oppression and exploitation by foreign countries but also contributed to strengthening the powerful forces struggling against imperialism and expansionism and for peace, national independence, democracy, and social progress. It reflected the protracted, complex, and heroic revolutionary struggle waged by the Lao Armed Forces and people under the leadership of Comrade General Secretary Kaysone Phomvihane. It also reflected the militant solidarity and close, all-round cooperation among the peoples in the three Indochinese countries.

Throughout the past 10 years, the Lao people have concentrated all efforts of glorious unity on fulfilling the great tasks of building and defending the country and taking it toward socialism and against the expansionist and hegemonist forces, the imperialist forces with the U.S. imperialists as chieftain, and the Thai ultrarightist reactionary forces and have

managed to fulfill the international obligations in the outpost of socialism in Southeast Asia, thus contributing to the common cause of all nations for peace, national independence, democracy, and socialism.

We highly value the policy of peace, friendship, and cooperation pursued by the LPDR, which is aimed at consolidating international security which constitutes an important factor for the safeguarding of peace and stability in Southeast Asia and the world.

As clearly affirmed at the Fifth KPRP Congress, the unshakable fraternal friendship, special militant solidarity, and all-round cooperation among the three Indochinese peoples still remain forever the firm guarantee for the success and victories of the PRK in building and defending the country during the transitional period of advancing toward socialism.

We are extremely happy to see that these relations have been constantly consolidated and developed for the prosperity and happiness of our two peoples and for socialism and world peace.

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CSO: 4206/30

PASASON COMMENTARY ON UK WITHDRAWAL FROM UNESCO

BK091036 Vientiane KPL in English 0932 GMT 9 Dec 85

[Text] Vientiane, 9 Dec (OANA-KPL)--The daily PASASON in its commentary today speaks of Great Britain's pullout from UNESCO as a clear manifestation of its loyalty to the United States.

The paper says: "UNESCO's membership of 160 countries shows that it is a prestigious international agency. The charge of UNESCO's politicization of its activities, offered by the United States for its withdrawal from UNESCO a year ago, has been widely condemned as groundless because Washington, a founding member of UNESCO in 1946, should well know the goal and principles of the agency as they were laid down with U.S. acknowledgment. It is a pity that Washington had waited for nearly four decades to make such a fabrication detrimental to UNESCO's prestige. Such an act was a clear proof of U.S. irritation over the agency's work, which had not served the U.S. war-mongering policy."

The paper continues:

The Tory government's recent decision to withdraw from UNESCO was no doubt a manifestation of its loyalty to the White House. Despite protests by the opposition party and public opinion, Margaret Thatcher has gone so far as to declare British participation in the U.S. "Star Wars" program following her decision to quit UNESCO." By trailing after the United States, the paper concludes, Britain will gain nothing, but condemnation and shame.

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CSO: 4200/374

## LEADERS RECEIVE GREETINGS FROM MPRP COUNTERPARTS

BK051349 Vientiane KPL in English 0859 GMT 5 Dec 85

[Text] Vientiane, 5 Dec (KPL)--Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, and Souphanouvong, president of the Lao PDR and the PSA [SPC], recently received a telegram of congratulations from Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party CC, chairman of the Great People's Hural, and Dumaagiyn Sodnom, chairman of the Council of Ministers of the Mongolian People's Republic. The telegram says:

"On the occasion of the 10th founding anniversary of the Lao PDR, on behalf of the MPRP CC, the Great People's Hural, the people of Mongolia and in our names, we would like to convey to you, and through you, to the LPRP CC, the PSA, the Council of Ministers and the fraternal Lao people, our warm congratulations and best wishes.

"The victories scored by the fraternal Lao people in the courageous struggle under the leadership of their vanguard party--the LPRP--in building the firm foundation of socialism in recent years are the results of the liberation and revolutionary movements of the people.

"The people of Mongolia note with pleasure the successes obtained by the Lao people in the past 10 years.

"The foreign policy and international activities of the Lao PDR have contributed to preserving peace and stability in Southeast Asia.

"Together with other countries in the socialist community, the MPR fully supports the constructive initiatives of the SRV, the Lao PDR and the PRK on turning Southeast Asia into a zone of peace, stability, good neighbourliness and cooperation.

"We are satisfied at the unceasing development of the fraternal relations and close cooperation between our two countries in both content and form, on the basis of Marxism-Leninism and socialist internationalism. We firmly believe that the relations will be further strengthened in the spirit of the friendship and cooperation treaty signed in 1979 between the MPR and the Lao PDR.

"On this occasion, we wish you and the fraternal Lao people more successes in the struggle against the sabotage activities of aggressive forces, for safeguarding their independence, sovereignty, and revolutionary fruits. We wish you success in implementing the first plan of socioeconomic development.



## KAYSONE PHOMVIHAN ADDRESSES YOUTH SESSION

BK100420 Vientiane Domestic Service in Lao 1400 GMT 9 Dec 85

[Text] On the morning of 9 December, Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, addressed representatives of youths who were attending the sixth plenary session of the first Central Committee of the Lao People's Revolutionary Youth Union in Vientiane. On this occasion, on behalf of the LPRP Central Committee, the SPC, and the Council of Ministers, Comrade General Secretary Kaysone Phomvihan conveyed his warm sentiments and solidarity to all comrade members of the youth union Central Committee as well as to all youths throughout the country who are joyously celebrating the 10th anniversary of the establishment of the LPDR.

In his address, Comrade General Secretary Kaysone Phomvihan briefly assessed certain outstanding points of the youths' movements carried out since the first national congress of Lao youths. He noted: The youths' movements have been developed in all respects and have been explicitly reorganized. Worthy of note is that the youths have contributed to the defense of the country and the maintenance of public security. Regarding this, the youths of many provinces have overfulfilled the targets. It has been clearly proved that all youths have maintained a high level of awareness, a patriotic spirit, and a spirit of being indignant at enemies.

Comrade General Secretary Kaysone Phomvihan also praised and hailed the achievements, growth, and progress of the youths in all spheres of work in the cause of building their beloved country. In addition, the comrade general secretary pointed out certain outstanding points of the international situation, in particular the situation in Southeast Asia which is changed complicatedly, but in favor of our Lao revolution.

On this occasion, Comrade General Secretary Kaysone Phomvihan gave instructions to the Lao youth union committees and all youths on some significant tasks to be fulfilled in the years to come. He called on all youths to concentrate their efforts on carrying out their movements in an ever firmer manner while positively promoting and expanding their leading roles and attentively implementing various resolutions of the party and state.

Attending the meeting to hear the address of Comrade General Secretary Kaysone Phomvihane on this occasion were Comrade Mrs Thongvin Phomvihane, member of the party Central Committee and first secretary of the Lao People's Revolutionary Youth Union Central Committee, and other secretaries of the youth union Central Committee along with secretaries and representatives of the youth unions from various provinces, ministries, state committees, and the Vientiane municipality.

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CSO: 4206/30

## NOUHAK PHOUMSAVAN MEETS PROVINCIAL FIGURES

BK100427 Vientiane Domestic Service in Lao 1400 GMT 9 Dec 85

[Text] On the occasion of the celebration of the 10th anniversary of the establishment of the LPDR, on 5 December, Comrade Nouhak Phoumsavan, member of the LPRP Central Committee Political Bureau and first vice chairman of the Council of Ministers, met and addressed, at the club of the provincial command, figures from Luang [word indistinct] Province. Attending the meeting to hear the address of Comrade Nouhak Phoumsavan on this occasion were Comrade Vongphet Saikeu-Gnachongtoua, member of the party Central Committee and secretary of the provincial party committee, along with members of the provincial committee, figures, and a large crowd of members of the Lao Front for National Construction committees from throughout the province.

In his address, Comrade Nouhak Phoumsavan reviewed the domestic and international political situation and the founding of the LPRP. He also pointed to the growth and strength of our country in the past 10 years-- 10 years of survival and all-round development. He said: These all-round developments have proved the superiority of the new socialist system and have reflected the correct and just line and policies of our party and state. They have also resulted from the full implementation of rights of being owners of the country by the people of various tribes who have taken part in all tasks entrusted by the party and state.

Comrade Nouhak Phoumsavan then noted certain tasks to be fulfilled, in particular the strengthening of the internal solidarity, the promotion and expansion of the rights to collective mastery of the people of various tribes, the explicit distinction of friends from foes, and stepping up and early completion of the harvesting and the keeping to main rice crops, and the timely preparations for dry season rice farming.

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CSO: 4206/30

## VIENTIANE REPORTS DEPARTURE OF DELEGATIONS

BK070319 Vientiane Domestic Service in Lao 1400 GMT 6 Dec 85

[Text] The delegations of some fraternal countries, which attended the celebration of the 10th anniversary of the national day of the LPDR, departed for home on 5 December. They included the Romanian [word indistinct] and state delegation led by Comrade Ludovic Fazekas, member of the Romanian Communist Party Central Committee, which was seen off at Wattai airport by Maisouk Saisompheng, member of the party Central Committee and minister of industry, handicrafts, and forestry; and MPR delegation led by Comrade Dondogiyn Tsebegmid, member of the MPRP Central Committee and deputy chairman of the MPR Council of Ministers, which was seen off at the airport by Major General Siphon Phalikhan, member of the party Central Committee and deputy minister of national defense; the Bulgarian party and state delegation led by Comrade Savadan Bokov, member of the Bulgarian Communist Party Central Committee and first vice chairman of the Council of National Front, which was seen off by Comrade Thit Soi Sombatdouang, member of the party Central Committee and chairman of the Lao trade unions, and Comrade Boualang Bualapha, member of the party Central Committee and vice chairman of the Lao Front for National Construction; the Hungarian party and state delegation led by Comrade Imre Katona, member of the Hungarian Socialist Workers' Party Central Committee, which was seen off by Comrade Inkong Mahavong, member of the party Central Committee and minister of agriculture, irrigation, and agricultural cooperatives; and the DPRK party and state delegation led by Comrade Ko Chong-sik, member of the WPK Central Committee and minister of resource development, which was seen off by Comrade Thongsing Thammavong, alternate member of the party Central Committee and minister of culture.

Earlier, on 4 December, the delegation of the Government of the Republic of India, led by Narayanan, minister of external affairs, also departed for home with First Deputy Foreign Affairs Minister Khamphai Boupha seeing them off at the airport.

Diplomatic envoys of these respective countries were also at the airport to see their delegations off.

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CSO: 4206/30

LPA BORDER REINFORCEMENTS, ROAD WORK, DISPUTED VILLAGES

Bangkok DAO SIAM in Thai 4 Oct 85 pp 6, 12

[Excerpts] We must now carefully watch the eastern area adjoining the LPDR, namely, Kaen Thao District across from Tha Lee District in Loei Province, and Pak Lay, Sayaburi, Hong Sa, and Ngeuane Districts up to the areas across from Chiang Khong Province, where there are military movements called "attack preparations." And other critical areas adjoining Laos must be watched for invasion or Lao military operations!

Laos had problems with Thailand when it claimed that it has sovereignty over the three villages of Ban Mai, Ban Khang and Ban Savang in Thai territory in the Uttaradit Province area adjacent to the southern part of Nan Province. Initially, Thailand sent a military force to occupy this area, but later it withdrew them in order to avoid a military confrontation and solve the problem peacefully. But later, Laos sent troops into the territory and the people of the three villages, who are Thais, fled the Lao soldiers and came under the protection of Thai soldiers.

That is the confrontation place...

Laos started the show with continuous propaganda, stating that Thailand was intruding into its sovereign territory and that Thailand was insisting that the three villages are Thai villages. Vientiane Radio has been giving sensational news, blaming and attacking Thailand every day for a long time.

There are troop and supply preparations in the front and back lines!

"The Lao force that has approached the area of the three villages is more than one for self defense, so we perceive the situation to be at a level that indicates that Laos is preparing for war."

Lt Gen Ruamsak Chaiyakomin, the new Region 3 commander, who replaced Lt Gen Thiep Kromsuriyasak on 1 October 1985, will be fully responsible for national security in this area.

The new Region 3 commander is very experienced in fighting the Lao, as he is the commander who drew up attack and counterattack plans and oversaw the front line fighting when soldiers went into the three villages to give protection to our people.

Lt Gen Ruamsak Chaiyakomin told us that the overall situation in the northern part is almost normal. There still are problems but they are solvable. The problem that we must watch is the situation in Laos. Problems will come from there. "There are problems because we are the ones for whom they are creating them," the Region 3 commander stated.

The villagers are Thai people. All their roots and ancestors are Thai. The names of the three villages are all in Thai: Ban Mai, Ban Khang, and Ban Savang. "Laos has taken the incident of the three villages and made it into a political issue," the Region 3 commander stated.

Lao military movements have been suspiciously active in this area for around 8 months, and divisions have been deployed. As for confrontation with Thailand, there are reserve troops in Sayaburi and Louang Prabang Provinces and also Air Force troops supporting and supplying arms and men. Senior commanders come and inspect the front regularly. Twice a week there are regular shootings by the Lao side, which disturbs the Rangers sanctuary and obstructs the construction of strategic roads along the border. Incitement by Vientiane Radio is increasingly intense. There is propaganda to make the Lao misunderstand that the Thais are invaders, to cover up their own actions in being the initial troublemakers.

Military intelligence indicates that after the rainy season ends and the dry and cold season approach, the Lao will increase their troops in this area to their fullest and large weapons will be supplied. Tanks might enter because on the Lao side roads are also being constructed from Pak Lay headed toward western areas along the Thai border. However, these roads are usable only seasonally.

If Laos still creates incidents that affect and intrude on Thailand's security as it is doing now, there might be important news from the border about the three villages before the new year.

12587/12795  
CSO: 4207/65

## BRIEFS

DPRK PARTY-STATE DELEGATION ARRIVES--Vientiane, 30 Nov (KPL)--A delegation of the party and government of the Democratic People's Republic of Korea led by Ko Chong-sik, member of the Workers' Party of Korea CC, minister of raw materials, arrived here on 28 November to attend the celebration of the 10th founding anniversary of the Lao PDR. The delegation was met at Wattai Airport by Thongsing Thammavong, alternate member of the party CC, minister of culture and other high-ranking officials. Kim Sang-chun, ambassador of the DPRK to Laos, was also present at the welcoming ceremony. [Text] [Vientiane KPL in English 0911 GMT 30 Nov 85] /9604

PEACE DELEGATION'S RETURN--Vientiane, 28 Nov (OANA-KPL)--A delegation of the Lao Committee for Peace, Solidarity and Friendship With Other Nations, led by its President Singkapo Sikaotchounnamali, returned here on 26 November after attending a conference of peace organisations of socialist countries held in Sofia from 21-23 November. The conference was attended by 13 delegations of socialist countries and the delegations of international peace organisations. It reviewed the recent activities of peace organisations of socialist countries, worked out a plan for their future cooperation, discussed preparatory work for a world peace conference in Copenhagen. The delegates passed a draft plan of the activities of the World Peace Council in 1986 read by its President Romesh Chandra and an appeal and the final statement of the conference on the efforts of peace forces in socialist countries in the struggle to prevent the nuclear war threat and safeguard peace and security for mankind. [Text] [Vientiane KPL in English 0913 GMT 28 Nov 85] /9604

CONSTRUCTION OF NEW PORT COMPLETED--Vientiane, 30 Nov (OANA-KPL)--Keng Kabao port in Savannakhet Province was handed over to the Lao side at a ceremony held on [date indistinct] November. The construction of the port was started in 1979 and completed recently. This modernly equipped port has two cranes which can handle 200,000 tons of cargo per year. The Lao Government has spent 37,5 million kp for the project and the Netherlands Government has supplied it with \$2,169,585 as aid through the Mekong development project (MDP). Present at the hand-over ceremony were Bouathong, deputy minister of transport and post, Kideng, deputy-mayor

of Savannakhet, Annold Peter Van Walsum, [name as received] ambassador of the Netherlands to Laos, K. Marti, secretary of the MDP, Thanom Sannuwong, mayor of Moukdahan (Thailand), and other high-ranking Lao and foreign officials. [Text] [Vientiane KPL in English 0913 GMT 30 Nov 85] /9604

VIETNAMESE EXPERTS--Vientiane, 9 Dec (KPL)--The secretary of the Vientiane party committee, Sisavat Keobounphan, met here with the experts from Hanoi and Ho Chi Minh City of Vietnam on 6 December. On this occasion, he highly evaluated the great successes obtained by the Lao people in preparation for the celebration of the 10th Lao National Day under the guidance of the Lao party and government and with active contributions by the peoples of Vietnam, Kampuchea, the Soviet Union and other socialist countries. On behalf of the party and administrative committees and the people of Vientiane, S. Keobounphan expressed thanks to all the experts for their assistance and wished them success in the performance of their internationalist duty in Vientiane. He also wished for the furthering of the special solidarity among Laos, Vietnam, and Kampuchea and between the sister capitals of Vientiane and Hanoi. [Text] [Vientiane KPL in English 0922 GMT 9 Dec 85] /9604

FOREIGN JOURNALISTS RECEIVED--Vientiane, 6 Dec (OANA-KPL)--Phoumi Vongvichit, Politburo member of the party CC, vice-chairman of the Council of Ministers, on 4 December received foreign journalists who had come here to attend the celebration of the 10th Lao National Day (2 December). During the cordial talk, Phoumi Vongvichit spoke of the achievements scored by the party, government and people of Laos in the past 10 years. He answered questions by newsmen about the domestic and foreign affairs of Laos. [Text] [Vientiane KPL in English 0904 GMT 6 Dec 85] /9604

OUTGOING YUGOSLAV ENVOY--Vientiane, 6 Dec (OANA-KPL)--Sali Vongkhamsao, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, received here on 4 December Yugoslav Ambassador Ranko Radulovic at the end of his diplomatic mission here. During the warm and cordial meeting, Sali Vongkhamsao highlighted the ambassador's contribution to further strengthening the friendship between Laos and Yugoslavia. [Text] [Vientiane KPL in English 0913 GMT 6 Dec 85] /9604

SRI LANKAN, YUGOSLAV ENVOYS--Vientiane, 6 Dec (OANA-KPL)--President Souphanouvong received here on 4 December Sri Lankan Ambassador Wijenarayana and Yugoslav Ambassador Ranko Radulovic at the end of their term of office here. On this occasion, President Souphanouvong highlighted their contributions to promoting the relations between Laos and their countries, and wished them good journey home and success in their new mission. The talk proceeded in an atmosphere of warm friendship. Also on the same day, Khamphai Boupha, first deputy-minister for foreign affairs, received the two ambassadors when they came to bid farewell to him. [Text] [Vientiane KPL in English 0906 GMT 6 Dec 85] /9604



SALI VONGKHAMSAO ATTENDS SPORTS CEREMONY--Vientiane, 5 Dec (KPL)--The 1st national sport competition was recently closed in VT [Vientiane] after a 10-day playing. Among those present at the closing ceremony was Sali Vongkhamkao, secretary of the PCC [Party Central Committee], vice-chairman of the Council of Ministers, chairman of the State Planning Committee. Members of the diplomatic corps were also on hand. The sport competition included volleyball, basketball, table-tennis, rattan-ball, bicycle and boat racing, shooting, football and track-and-field. [Text] [Vientiane KPL in English 0917 GMT 5 Dec 85] /9604

BULGARIAN FRONT GROUP RECEIVED--Vientiane, 6 Dec (OANA-KPL)--President Souphanouvong received here on 5 December a delegation of the Bulgarian Fatherland Front headed by its First Vice-Chairman Sava Dulbokov. During the cordial talk, the president wholeheartedly welcomed the delegation and highly appreciated cooperation and mutual assistance between the parties, peoples and fronts of the two countries. On behalf of the party, government and the Fatherland Front of Bulgaria, Sava Dulbokov expressed his thanks to the party and government leaders as well as the people of Laos for their hospitality during the delegation's stay here to attend the celebration of the 10th National Day of the Lao PDR. On this occasion, Sava Dulbokov conveyed the best regards and wishes of the chairman of the Bulgarian Fatherland Front to President Souphanouvong, and wished the fine relations of friendship and all-round cooperation between the two countries further development. [Text] [Vientiane KPL in English 0901 GMT 6 Dec 85] /9604

FOREIGN DELEGATIONS DEPART--Vientiane, 5 Dec (KPL)--The party and state delegations of socialist countries to the celebration of the 10th founding anniversary of the Lao PDR left here on 4 December. They were the GDR delegation led by Werner Felde, Politburo member of the SED [Socialist Unity Party of Germany], the Cuban delegation led by Juan Almeida Bosque, Politburo member of the CPC [Cuban Communist Party] CC, vice-chairman of the Council of Ministers, the Czechoslovak delegation led by Matej Lucan, member of the CCP [Czechoslovak Communist Party] CC, vice-chairman of the Council of Ministers, and the Polish delegation led by Stanislaw Opalko, Politburo member of the party CC. The delegations were farewelled at Wattai Airport by senior Lao officials and diplomatic envoys of their countries here. [Text] [Vientiane KPL in English 0911 GMT 5 Dec 85] /9604

SWEDISH DELEGATION VISITS--On the morning of 6 December 1986, Sali Vongkhamkao, vice chairman of the Council of Ministers and chairman of the State Planning Committee, received a courtesy call from a delegation from Sweden's SIDA [expansion unknown] led by (Bocbunton), chief of the organization for Asia, which is currently on a visit to Laos to hold talks with the Lao side on Swedish cooperation and assistance for 1986-88. On this occasion, Sali Vongkhamkao expressed satisfaction over the achievements of cooperation and assistance between the LPDR and the SIDA. He also wished the delegation glorious success in carrying out new cooperation and assistance projects. [Text] [Vientiane Domestic Service in Lao 1400 GMT 6 Dec 85 BK] /9738

GDR COUNTERPART'S DEATH--To the GDR National Defense Ministry, Berlin:  
We are deplorably sad to learn about the death of Comrade General Heinz Hoffmann, national defense minister of the GDR. Comrade Gen Heinz Hoffmann was an outstanding leader of the GDR National People's Army and a good son of the German people, loyal to the great struggle for the defense and building of the socialist GDR and to the cause of socialism and world peace. Following the passing away of Comrade Gen Heinz Hoffmann, the Socialist Unity Party of Germany has lost an indomitable and strong communist while the GDR people's national army has lost its outstanding leader and commander and the GDR people have lost their good and faithful son. For the LPA, the passing away of Comrade Gen Heinz Hoffmann is a loss of a close comrade-in-arms. On behalf of the cadres and combatants in the LPDR National Defense Ministry, we would like to express deep sorrow and mourning to the family and relatives of deceased Comrade Gen Heinz Hoffmann, combatant of the GDR National People's Army. [Signed] Gen Khamtai Siphandon, minister of the national defense of the LPDR. [Dated] Vientiane, 3 December 1985. [Condolence message from LPDR National Defense Minister General Khamtai Siphandon to GDR National Defense Ministry; dated 3 December] [Text] [Bientiane Domestic Service in Lao 0430 GMT 6 Dec 85 BK] /9738

CSO: 4206/30

GOVERNMENT TO BAN ALL BOOKS ON BALING INCIDENT

BK090939 Kuala Lumpur International Service in English 0800 GMT 9 Dec 85

[Text] The government will ban all publication, sale, and possession of books on last month's Baling incident. The deputy minister of home affairs, Datuk Radzi Sheikh Ahmad, says the government considers the incident a sensitive issue and does not want the public to be influenced or confused by the allegations of opposition parties making political capital out of it. He says so far his ministry has yet to receive any information on any sale to the public of books on the incident in which 18 people, including four policemen, were killed in Kampung Memali, Baling Kedah.

The deputy minister was speaking at a dialogue session on politics, dadah [dangerous drugs], and internal security at Gunung Pulai, 98 km from Johor Baru. He added that the government had banned 60 book titles this year. Those found in possession of banned books are liable to a fine of 3,000 ringgit, and those found selling them could be jailed for up to 3 years.

Datuk Radzi also said that since independence 1.2 million foreigners have been granted citizenship. He warned that those whose loyalty was in doubt or who had migrated to other countries, would have their citizenship revoked.

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CSO: 4200/378

COMMENTARY PRAISES 'SENSITIVITY' TOWARD ANTARCTICA

BK091416 Kuala Lumpur International Service in English 0800 GMT 9 Dec 85

[Station commentary]

[Text] The massive support that Malaysia received in the UN Political, [word indistinct], and Security Committees for its resolution on Antarctica can only be described as a great moral and political victory. Eighty out of a total membership of 159 votes in favor, and, according to media reports, more support would have been forthcoming had not some member states been absent at the time of voting. It is significant that apart from the Malaysian proposal, there were two other Antarctica related proposals tabled by Pakistan and Burundi, and both also received affirmative votes.

Malaysia can take full credit for the present sensitivity towards Antarctica which, hopefully, will result in nothing short of a new regime in place of the one-sided Antarctica treaty. The matter is a victory for the Malaysian prime minister, Dr Mahathir Mohamed, who, in spite of strong pressure and objections from some signatories to the 1959 Antarctica treaty, brought the whole issue of the icy continent for the UN General Assembly in 1983. Since then, Malaysia had been pursuing its objective of convincing the international community that Antarctica should be governed by legal concepts that reflect present-day realities rather than the power politics of the 19th century colonial expansion by Western powers.

It is a matter of particular gratification that the other two nations that have followed Malaysia's example are Pakistan and Burundi. The former is a country with which Malaysia has very close ties, while Burundi is a land-locked state and it is precisely the type of UN member that stands to lose by the present provision of the existing treaty on Antarctica.

The main thrust of the Malaysian diplomatic campaign for reform of the legal regime on Antarctica is aimed at recognition of the icy continent as territory that should not be the subject of any exclusive claim by any single state nor of a group of states. Moreover, the resources of the continent, which are considerable, should be treated as a common heritage of mankind. Malaysia and its supporters are not introducing anything radical nor revolutionary by pushing this resolution. The resources of the ocean depths have been (?treated) by the UN convention on the Law of the Sea as property common to

all nations while an International Seabed Authority exists for the purpose. Pakistan's resolution affirms this stand taken by Malaysia.

Malaysia, of course, appreciates the solid backing it has received from the African nations and the members of the Nonaligned Movement. For much too long there has been a tendency on the part of the more powerful nations to invoke the so-called sanctity of international law wherever it suited their purposes and served their interests. But the truth is, no system of law is meant to be rigid and inflexible. The time has come to review the management practice as it were of Antarctica in view of the possibility that it could become the scene of predatory moves to exploit its marine and mineral wealth. The Antarctica issue is an example of Malaysia's vital concern for and involvement in matters that affect the well-being of mankind.

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CSO: 4200/378

VOMD WANTS ELECTION DEFEAT OF BARISAN NASIONAL

BK081019 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 5 Dec 85

["Article" in July/August 1985 issue of SULUH RAKYAT, publication of Information Department of the Malay Nationalist Revolutionary Party of Malay: "Defeat the Barisan Nasional Government in Upcoming General Election!"]

[Summary] As the general election approaches, the ruling Barisan Nasional authorities have begun preparing to preserve their reactionary rule. The main component party of the Barisan Nasional, the United Malays National Development (UMNO), has held its branch and regional level meetings. The election committee has also set up new election constituencies. Opposition parties have intensified their campaigns to expose the Barisan Nasional regime's antipeople and anti-democratic policies.

"Since our country's independence in 1957, the fruits of the people's struggle have been usurped by the British colonialist-backed reactionary forces. The UMNO-led reactionary forces have now ruled our country for 28 years. What has happened to the country under their reactionary rule? Despite our country's relative economic progress, it has been achieved at the expense of the people's sweat and tears, whereas the people's poverty and hardships remain unchanged. The gap between the rich and the poor is getting more and more serious. The only thing the reactionary forces have done thus far is to establish and cultivate the bureaucratic and comprador capitalist class, the main exploiter and oppressor of our country's people. The foreign capitalists' exploitation of our country's people is also getting worse."

The ruling regime itself must admit that some 619,700 rural families in the peninsula are living below the poverty line. Take the case of Terengganu, which is an oil-rich state. Despite efforts to develop the oil fields in that state since the 1970's, the chief minister there admitted that the monthly per capita income in 1983 was only 90 ringgit. About 51.2 percent of Terengganu's inhabitants still live in poverty. According to Labor Ministry statistics, the unemployment ranks increased from 292,000 in 1980 to 371,200 in 1984. From these highly deflated statistics, we can see the seriousness of poverty and unemployment for people under the Barisan Nasional regime.

Since the 2-M [Mahathir-Musa] clique assumed power, it has also pretended to be anticolonialist and nationalist by nationalizing several foreign companies and establishing several major companies with a view to strengthening the position of the bureaucratic and comprador capitalist class. However, all these moves failed to change our country's economic dependence on rich foreign countries.

"Sixty percent of our country's products are for export. This makes our country's economy highly vulnerable to unexpected world economic recession. Our country's foreign debt had soared from 4.9 billion ringgit in 1980 to 21.17 billion ringgit in 1984. Interest payments for our foreign loans also increased from 374 million ringgit in 1980 to 1.228 billion ringgit in 1983 and 2.2 billion in 1984. If the private sector's interest payment is also included, the total interest payment for foreign loans stood at 2,069,000,000 ringgit in 1983. In 1984, the combined state and private interest payments would certainly be higher."

The 2-M regime calls itself a clean, capable, and trustworthy government, but it has also done its best to cover up the loan scandal of the Bumiputra Malaysia Finance involving 2.5-billion-ringgit in state funds. Despite heavy pressure, the 2-M clique has always refused to clarify the real situation behind the scandal. Is this what they call "clean, capable, and trustworthy?"

"The reactionary forces have intensified their oppression of the people by enacting a number of a reactionary and dictatorial laws, such as the notorious Internal Security Act, the Organizations Act, the Labor Act, the Universities and University College Act, the Publishing Act, and other laws destroying democratic rights and the people's freedom and justifying exploitation by domestic and foreign capitalists. Despite ever increasing threats, our country's people are unyielding in their struggle. Their resistance to the 1983 constitutional amendment move, to the law banning the ownership of sharp weapons, and to the law banning the holding of political lectures, and the struggle to defend the true Islamic teachings in recent years have all demonstrated the revival of the split among Malays and Muslims in our country. Simultaneously, other ethnic groups have also launched their struggle to defend their democratic rights and personal freedom."

The Barisan Nasional regime's defeat in the Sabah election shows the people's loss of confidence on the regime, and still the internal power struggle among the Barisan Nasional component parties--namely the Malaysian Chinese Association, the Gerakan Party, and the Malaysian Indian Congress--continues unabated. Even inside UMNO, the situation is uncertain, with differences of opinion between Mahathir and Musa Hitam becoming more obvious. UMNO politicians think nothing of spending hundreds of thousands of ringgit to become chiefs of party regional branches.

"To win the voters' hearts, especially the Chinese voters, the Barisan Nasional regime announced that Mahathir would visit the PRC in November. The regime also relaxed restrictions on businessmen wanting to visit the PRC. All this shows that the regime is losing confidence in winning the upcoming general election."

To maintain its power, the regime will naturally use various tricks to put the opposition at a disadvantage, including the launching of a terror campaign. The people must be vigilant to its tricks.

"Now that the Barisan Nasional regime is becoming unpopular, the time has come for the masses to determine their own future. The Malay Nationalist Revolutionary Party of Malaya hereby calls on our country's voters to wisely exercise their rights by voting for patriotic and democratic parties and personalities capable of representing their interests. Defeating the Barisan Nasional regime is the first step toward the realization of a patriotic and democratic government. Let us fight for the realization of this noble end!"

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CSO: 4213/50



DAILY SAYS BUSINESS COMMUNITY SHOULD EXPAND PRC TIES

BK091330 Kuala Lumpur BERITA HARIAN in Malay 23 Nov 85 p 10

[Editorial: "China's Guarantee Is Important for Bilateral Relations"]

[Text] China's reaffirmation of its stand on the citizenship of overseas Chinese, especially those in Malaysia, is important. Even though China made a similar statement during the late Tun Razak's visit to Beijing in 1974, it has not followed up with positive, convincing steps. However, when bringing up the issue during his talks with Chinese Prime Minister Mr Zhao Ziyang at the Great Hall in Beijing yesterday, Prime Minister Dr Mahathir Mohamed did not place any doubt on the Chinese statement. He only wished to project Malaysia's opinion concerning the issue. Mr Zhao in his reply said, China rejects the concept of dual citizenship and will not institute any practices concerning Malaysians of Chinese origin that would affect relations with Malaysia.

China's reaffirmation of its stand is considered important because the country is currently intensifying its open-door policy in economic fields and this will surely attract foreigners, especially the Chinese. We are not worried that our businessmen and industrialists wish to seize the opportunity afforded by China now. As a country that practices economic freedom, we are aware that bilateral investments are a normal practice. Local entrepreneurs who have established themselves in various sectors feel the need to widen their scope of activities outside the country or to try new opportunities not found within the country. On this side of the globe, it is currently difficult to deny that China offers attractive as well as challenging opportunities. We only want to be sure that sentiments do not influence our people who trade with China or invest in that country. This is important because the biggest slice of the local business community who will seize the opportunity is of Chinese origin. Even though we do not question their loyalty to this country, we agree with the prime minister that China should not give special attention or service to them because their ancestors are of Chinese origin. It is difficult to deny that the overseas Chinese business community is China's main target in its effort to attract foreign investors. Many of the renowned Chinese businessmen in this region and in the United States whether or not they have investments in China, are currently planning to take advantage of the business opportunity; [word indistinct] several well-known members of the Chinese community in this country, including some with large business concerns in Malaysia, have returned to China to reestablish their family business concerns which had stagnated after the 1945 communist revolution.

This policy, if it continues, will create more difficulties for new members of the business community, especially those not of Chinese origin, trying to penetrate the Chinese market. It is a normal practice in China that business is carried out through traditional channels. As for this side of the globe, those traditional channels exist generally in Hong Kong and Singapore. According to the Malaysian Chinese businessmen who have been to China, this practice is firmly rooted even though China has opened its doors wide for the economic sector and has encouraged more foreigners to invest and trade. To break this practice, Datuk Sri Dr Mahathir urged the Chinese leaders, including Deng Xiaoping, to encourage more direct trade between their country and Malaysia through cooperative shipping and national port facilities.

For their part, Malaysian businessmen who have not yet established themselves in China should put in more effort. Grumbling and grouching will not get them anywhere. It is unfortunate that the Malaysian businessmen who follow official delegations want only to rub shoulders with national leaders rather than really find trade opportunities. In his current visit to China, the prime minister took with him more than 100 members of the business community from different racial groups. We really hope that, beyond simply gracing the occasion or viewing the scenic beauty of China, they will be a frontline and exert efforts to expand economic and trade relations with China.

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CSO: 4213/50

COUNTRY CHIEF SUPPLIER OF OIL TO PHILIPPINES

HK100205 Manila BULLETIN TODAY in English 9 Dec 85 p 25

[By Ray S. Enano]

[Text] Malaysia has become the Philippines' leading crude oil supplier, overtaking Saudi Arabia from the top spot, latest statistics gathered from government sources revealed over the weekend.

Malaysia's increased crude oil supply, along with more volumes of Shengli crude from the People's Republic of China, also helped Far East crude volumes to dislodge Middle East suppliers as the Philippines' premier source of imports.

Imports of Malaysian crude, notably the Miri grade, totalled 8.821 million barrels for the first ten months of the year or 20.9 percent of total Philippine imports for the period. Malaysian shipments were up 39.9 percent from 6.307 million barrels in 1984's comparative period when they accounted for a mere 13.3 percent of total imports.

China crude oil, on the other hand, amounted to 7.682 million barrels or 18.2 percent of total Philippine imports for the period. China deliveries were an improvement of 35.4 percent from 5.675 million barrels a year ago or 12.0 percent of Philippine purchases abroad.

Overall imports from Far East sources, including Australia, totalled 21.275 million barrels, accounting for 50.4 percent of total Philippine oil imports. Imports from the Far East in 1984 reached 18.374 million barrels or 38.9 percent of the total.

Saudi Arabian crude oil shipments, which totalled 11.914 million in 1984 or 25.1 percent of the total, dropped by 41.3 percent to 6.996 million barrels this year or 16.6 percent of total Philippine imports.

Oil imports from Kuwaiti sources similarly declined to 5.850 million barrels this year or 13.9 percent of the total. Kuwaiti crudes in 1984 amounted to 10.113 million barrels or 21.4 percent of the total.

Overall imports from the Middle East region, thus, decreased by 27.8 percent to 18.255 million barrels or 43.3 percent of the total. Oil imports from the region last year totalled 25.278 million or 53.4 percent of the total.

Oil imports for the first ten months of the year amounted to \$1.226 billion, down 5.6 percent from \$1.298 billion of the comparative period in 1984, the same statistics showed.

Net oil imports for the period reached 44.607 million barrels, down 1.2 percent from the previous level of 45.166 million barrels.

Industry sources attributed the shift in crude oil import sources to the increased purchases of oil companies in the international spot market. The same sources also said that oil companies, notably Philipinas Shell Petroleum Corp., have stepped up buying in the Far East spot market where Japanese traders have been active.

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CSO: 4200/378

## BRIEFS

PAS-ISLAMIC PARTY TIES WITH CHINESE--Paris Buntar--The PAS [Pan Malaysian Islamic Party] Central Committee information chief Haji Subky Latif reminded all Malays, especially the PAS supporters, not to dig up matters concerning the success of the other races in the country. According to him, digging up those issues cannot help solve the problem of backwardness among the Malaysians in various fields. Speaking at a dialogue session with the Chinese community at the Yu Chai primary school hall at Kuala Kurau, near here today, he said members of the Chinese community are citizens of this country and we should have good relations with them. He stressed that the Malaysians should learn from the Chinese those methods on how to be progressive in all fields. [Text] [Kuala Lumpur BERITA HARIAN in Malay 23 Nov 85 p 22] /8309

BALING INCIDENT--Alor Setar--Kedah State PAS [Pan Malaysian Islamic Party] will give legal aid to those people who were detained in the Kampung Memamli bloody incident in Baling District recently, if they were brought to court. This was said by the party's secretary general, Mr Halim Arshad. He said PAS will determine the panel of attorneys for those who were involved. The Kedah/Perlis state police chief, Assistant Commissioner of Police Datuk Abdul Aziz Hussain, said 160 people were detained for investigations at the police field force camp in Sungai Petani and also at several other police stations following the incident. He said that those who were involved in the incident would be brought before the court to face charges of murder, possession of dangerous weapons, and rebellious acts. Meanwhile, a Baling police station spokesman said the curfew from 1800 to 0300 is still in force in Mukim Siong. [Text] [Kuala Lumpur BERITA HARIAN in Malay 26 Nov 85 p 3] /8309

CSO: 4213/50

RAINBOW WARRIOR CASE COSTS, FURTHER INQUIRY VIEWED

HK100158 Hong Kong AFP in English 0113 GMT 10 Dec 85

[Text] Wellington, 10 Dec (AFP)--The Rainbow Warrior bombing inquiry has so far cost New Zealand police more than 1.6 million U.S. dollars, making it one of the most expensive in the country's history, it was disclosed today.

A police officer who worked on the investigation in France, meanwhile said in a radio interview that police investigations were far from over.

Police Assistant Commissioner Stuart McEwan said today the inquiry into the French secret service bombing of the environmentalist group Greenpeace's flagship on 10 July, was "one of the largest and the most costly ever held by the New Zealand police."

More than two-thirds of the bill went on police wages but police also paid more than 100,000 dollars in drydock and wharf charges.

They did not yet know how much it would cost the New Zealand Navy to refloat the Greenpeace vessel, sunk in Auckland Harbour by two blasts, said Mr. McEwan. One crewman died in the attack and two French agents were jailed by a New Zealand court last month for 10 years on manslaughter charges.

Officer Lex Denby, one of the three New Zealand police investigators who has worked in France during the inquiry today said in a radio interview that the police investigation of the Rainbow Warrior sinking "is certainly not over. We've had only one phase of it at this stage."

He said that three alleged French saboteurs who escaped from New Zealand in a now-lost yacht, the Ouvea, based in New Caledonia, "could still be extradicted to New Zealand."

Mr Denby said that Interpol warrants issued for the three agents were still in force and could see the three arrested "if they step outside French territory."

Meanwhile the government has now received a legal report on whether it can conduct a full marine inquiry into the sinking of the Rainbow Warrior, and it is being studied by Transport Minister Richard Prebble.

Prime Minister David Lange said last week a decision on whether to hold the public inquiry would depend on how much progress was made in compensation talks with France, due to resume in New York later today.

He warned that if the evidence was made public it would seriously embarrass many people.

/9274

CSO: 4200/330

COLUMNIST ON INCREASED NPA ACTIVITY IN PAMPANGA

HK051054 Quezon City ANG PAHAYAGANG MALAYA in English 29 Nov 85 p 9

["Notes From Pampanga" column by Elmer G. Cato]

[Text] Angeles authorities are girding for more liquidation and arms grabbing operations from the New People's Army, military arm of the outlawed Communist Party of the Philippines (CPP), after two government security personnel were killed in a flare up in rebel activity here during the past two weeks.

Last Nov. 21, Cpl. Job Piedad, 37, of the Angeles Metropolitan District Command (Metrodiscom) was shot dead by still unidentified gunmen believed to be NPA partisans along Manuel L. Quezon St. here. Piedad sustained a bullet wound in the lower jaw and died instantly. His assassins took with them his .38 caliber revolver.

Ten days earlier, an Army enlisted man was killed by three members of the dreaded Sparrow Unit, liquidation component of the NPA, along busy Sto. Rosario St. here in full view of rush-hour commuters. The fatality, identified as Pfc. Angelito Gomez, 29, of Bamban, Tarlac was waiting for a passenger vehicle near the Holy Angel University, some 50 meters away from Angeles police station when he was shot at close range. The suspects fled casually away from the scene after divesting the fallen trooper of his M-16 Armalite rifle and his .45 caliber pistol.

Last January, rebels operating out of Porac Town shot and killed a PC [Philippine Constabulary] trooper in a restaurant at the Nepo Mart complex and made off with his service rifle. It was followed by the daylight shooting of a rebel-surrenderee-turned-military-informer along downtown Angeles in April and that of three others including the principal suspect in the summary slaying of three Lakabayan marchers near a police detachment in May. The last NPA liquidation job took place September when a military informer was felled by partisans in front of the Angeles University Foundation compound here.

In all instances, the perpetrators managed to make good their escape.



Local observers have postulated that the resurgence of NPA activity in the city are only retaliatory tactics being employed to make up for previous reverses. An aggressive military campaign during the past months yielded what the military claims 12 high-ranking rebels operating in the Metrodiscom areas of Angeles and neighboring Porac.

But unless a visible and effective response is undertaken, then we just can very well expect more NPA operations to come.

During a permitless protest staged by about 100 League of Filipino Students (LFS) members in front of Camp Olivas in San Fernando last November 21, military authorities, in an unexpected move, came up with a megaphone and gave protestors a sampling of the Filipino ideology. Colonel Rey Cabauatan of the Regional Unified Command lashed at the so-called "isms" confronting Philippine society and vowed to exert efforts in curbing the abuses and excesses of government in his several-minute address. It just couldn't be known at the moment on whether the students took him seriously or not.

While preparations were being made for the founding congress of the Bagong Alyansang Makabayan (Bayan-Pampanga) last October 30 at the St. Scholastics' Academy in San Fernando, a military helicopter reportedly hovered atop the congress site and landed at a nearby cogon patch and stayed there for several minutes. This was in full view of some 40 people busy with congress preparations. The chopper lifted off after several minutes towards the direction of Angeles City. Coincidence or plain and simple harassment? No one knows for sure.

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CSO: 4200/382

PHILIPPINES

BRIEFS

PROCEDURES FOR ENTRY TO U.S.--The possibility of determining entry of Filipino travellers to the U.S. right in Manila will be discussed next month by Philippine and American officials. Under the plan proposed by U.S. immigration officials, predeparture checks of Filipino travellers bound for the U.S. would be made in Manila; this, instead of existing immigration and inspection at port of entry in Honolulu or San Francisco. The final determination of Filipino travellers entry qualification will be made by U.S. immigration in Manila before departure. This means that Filipinos would be given automatic entry at U.S. ports upon showing evidence of previous U.S. immigration inspection in Manila. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 9 Dec 85] /8309

CSO: 4200/382

SINGAPORE TRADE UNION LEADER LIKELY TO BE REPLACED

HK091120 Hong Kong AFP in English 1007 GMT 9 Dec 85

[Text] Singapore, 9 Dec (AFP)--Ong Teng Cheong, secretary general of the government-backed National Trades Union Congress (NTUC) and one of Singapore's top younger political leaders, may be replaced, diplomatic and political observers said today.

The observers saw confirmation of his imminent exit in a page-one report today in the STRAITS TIMES, which said that Mr Ong was stepping up the search for a successor because he had almost "accomplished his mission" in the NTUC.

The newspaper often reflects government thinking.

Mr Ong, 49, has been second deputy premier since January this year--running the NTUC being his only function--and is also chairman of the ruling People's Action Party (PAP).

He was nominated to the post of NTUC secretary general in April 1983.

While there has been no indication of where Mr Ong may be reassigned, union sources said that there were three young technocrats in the organisation vying for the secretary-general's post.

They are Lim Boon Heng, Goh Chee Wee and Ng Pock Too.

Mr Ng, political secretary in the prime minister's office, is the deputy director of NTUC administration and organisation.

A former civil servant, Mr Ng is a newcomer in local politics. He made his debut in the December 1984 general election in which he lost to Workers' Party leader Benjamin Jeyaretnam.

Since then, Mr Ng has been given a high profile and the STRAITS TIMES has tipped him as the front runner for the top NTUC post.

Mr Lim and Mr Goh are members of parliament who joined the NTUC in 1981. They are also assistant secretaries general and members of the NTUC's policy-making central committee.

The NTUC is the main power base of the PAP and as such posts in the union are indications of an individual's standing in the political scene.

About 23 percent of Singapore's 1.18 million-strong work force belong to NTUC through its 70 affiliate unions.

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CSO: 4200/379

SINGAPORE

# COURT FINES ASIAN WALL STREET JOURNAL FOR CONTEMPT

HK100624 Hong Kong AFP in English 0542 GMT 10 Dec 85

[Text] Singapore, 10 Dec (AFP)--The Asian WALL STREET JOURNAL, three senior journalists and its local printer and distributor were today fined here for contempt of court.

Justice T. S. Sinnathuray exonerated the paper's Singapore correspondent Steven Duthie, who had originally been cited as the third of five defendants, and instead fined two editors who admitted responsibility.

The attorney general had sought prison sentences for the contempt, over a journal edition of 17 October concerning the judiciary here.

The verdict on the case against the regional economic and political daily published by the Hong Kong-based subsidiary of the U.S. company Dow Jones, had been held over since a one-day hearing 18 November.

The case was described by the judge as one of the worst cases of contempt in Singapore--the only previous instance being one against the U.S. weekly NEWSWEEK in 1975.

The journal's editor and publisher in Hong Kong, Fred Zimmerman, who is also an executive vice-president of the Dow Jones Publishing Co (Asia), Inc., was fined 3,000 dollars (\$1,429 U.S.) as the first respondent, and the company as second respondent was fined 6,000 dollars (2,857 U.S.).

The local printer of the newspaper and its distributor, were each fined 500 dollars (238 U.S.).

Melanie Kirkpatrick, the features editor who stated in an affidavit to the court that she wrote the piece in question, was fined 4,000 dollars (1,905 U.S.) and the editor in charge of the editorial page, Paul Gifot, who similarly accepted responsibility for the editorial, was fined 2,000 dollars (952 U.S.).

All except Mr Duthie were also ordered to share the court costs of the attorney general for the legal action, which is to be determined later.

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CSO: 4200/379

## IMPROVEMENTS NOTED IN RELATIONS WITH LAOS

Bangkok THE NATION in English 24 Nov 85 p 9

[Text]

**T**HE decision by Thailand's National Security Council to lift the embargo on asphalt products to Laos early this week was welcome news indeed in the otherwise stagnant and dull relations between these two neighbours.

At best, the Thai friendly gesture could be considered a trial balloon at this initial stage of getting to know each other again.

Foreign Ministry spokesman Sawanit Kong-siri told reporters last week the relations between Thailand and Laos have improved gradually and that Thailand wants to trade with Laos. He also expressed appreciation over the kind reception shown by the Laotian Foreign Minister Phoune Sipaseuth at the farewell party of the outgoing Thai ambassador Sompong Faichampa last month.

There are many encouraging signs on both sides of the Mekong River as evidenced by their reconciliatory tones.

The Thai UN representatives recently told the Foreign Ministry that at this year's UN debate on the question of peace and security in Southeast Asia, which is initiated by Vietnam annually, Laos did not use strong polemics against Thailand at all. And in his long speech at the UN General Assembly, Phoune mentioned the Thai-Lao relations in two short paragraphs saying that Vientiane is faithful to its foreign policy of peace, friendship and cooperation. "It has not ceased to make efforts to safeguard and develop the friendly and good-neighbourly relations existing between the two peoples," Phoune said.

Moreover, Sawanit also said that Siddhi and Phoune also met at the UN sessions and exchanged pleasant words. "The total absence of hostility between the two leaders was a stepping stone for improving ties," a Foreign Ministry official said.

At the same time, the Lao media, which has been bombasting Thailand with accusations and unpleasant comments on the Thai leaders and other related matters has surprisingly been silent.

This positive development also prompted the Thai officials to review its overall policy toward its closest neighbour, particularly on trading issues.

**N**ORMALLY, trading between the two countries has been carried out by black marketeers who travel back and forth across the Mekong River and carry out smuggling across the border, which is considered to be a lucrative business given the reality of the lack of good quality consumer goods in Laos. It is to be hoped that in the near future both countries will trade more, even though Bangkok has more to sell to Laos. Local officials have urged the opening of more border check points to stimulate people-to-people contact and trading.

The Thai authorities are keeping a close watch on the asphalt products which were allowed to enter Laos last week as to whether it will be used as the Laotian government had notified Bangkok or diverted to other uses. If there is any evidence that the product is being utilized by the Vietnamese, an embargo will be imposed immediately. "All we are asking is that Laos should use this product for its own good, not other people's good. We are not overly security conscious people. When you are having about 60,000-70,000 Vietnamese troops, you must be alert," a security official commented.

The permission of asphalt products to enter Laos came about after long negotiations between Laos and Thailand as well as friendly governments such as Japan and Sweden, which have donated the asphalt products to help Vientiane to improve that country's infrastructure. Many projects such as factories, hospitals,

and highway constructions have come to a halt when the Thai government imposed the embargo on 237 strategic products.

**T**HE NATION has learned that the Thai government is willing to lift the embargo on the majority of the commodities if Laos continues to show its friendship to Thailand by accepting more Laotian refugees willing to go back home. Recently, National Security Council Secretary General Sqd Ldr Prasong Soonisiri said that the willingness of Laos to take back about 400 of the refugees from Thailand a few weeks from now was welcome news. "The voluntary repatriation programme must be continued with the cooperation of the UN organization," the official said.

Moreover, if the Thai monitor shows that Laos is utilizing the products for the well-being of its own people, it is possible that Bangkok will act swiftly to lift the rest of the embargo.

Apart from the increase in trade and improvement of relations, the thorny issue of the three disputed villages has remained unsolved. In the UN, Phoune stated his country's case once again and said that the negotiations between Bangkok and Vientiane should be held at the national level. On the contrary, the Thai government's position has always been for the talks to be held at the local level before the negotiations move up to the ministerial level.

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CSO: 4200/386

**I**N July, senior foreign ministry officials went to Vientiane for two days of talks, but the meeting ended without any substantial progress. Siddhi also sent a personal letter to Phoune explaining the rationale behind the Thai thinking on the negotiations to resolve the three disputed villages.

For the time being, it seems both countries are ready to negotiate again. The talks can be held simultaneously if both sides so wish in order to pave the way for the real settlement of the border dispute so that other priorities could be considered to further improve the relations.

Thailand should also take into consideration the Laotians' dire need at this time, especially when the country is gearing up to celebrate the 10th anniversary of the establishment of the Lao People's Democratic Republic. No countries friendly to Thailand would like to see the soured relations between these two countries to continue.

Both Thai officials and diplomats admit that it is in the Thai national interests to block the growing Vietnamese influence in Laos by becoming more friendly with Vientiane.

"During the heyday of Thai-Lao relations, hundreds of Lao students received technical training here and a lot of young students studied side by side with the Thais in universities. People travelled back and forth freely," a senior government official lamented.

The time is here once again for the two countries to review their relations and allow the closeness of the two peoples to take precedence over all else.

## NEW LABOR LEADER PROFILED

Bangkok THE NATION in English 24 Nov 85 p 9

[Text]

**F**OR over half a decade, the once powerful Labour Congress of Thailand (LCT) has been caught in a "whirlpool" of internal power struggles and increasing politicization of its leaders which have plunged this nation's largest labour body into a morass of credibility and popularity crises.

Despite repeated calls for a restructuring of its organization and the reorientation of its policy, no effort to salvage its image has materialized.

Consequently, workers have gradually lost faith in the organization causing a significant decline in financial support and participation of affiliated labour unions in the LCT's activities. The number of labour unions affiliated with it has dropped from over 100 in its heyday to slightly over 70 today.

For obvious reasons, many of the LCT leaders have been accused of using the labour body as the springboard to fulfil their political ambitions. And many incidents in the past have served to lend weight to the charge.

The level of politicization of the LCT became more apparent in the two recent wage disputes in July and August in which its then president Ahmad Khamthesthong was one of the prime movers. The motive behind the strikes was widely questioned and the government had to intervene to defuse the potentially explosive disputes.

The arrest of Ahmad and two LCT advisors, Sawat Lookdote and Sompong Srakavee, on sedition charges in connection with the September 9 coup attempt appeared to be the last straw for the factions in the LCT which have been advocating changes in the organization.

Shortly after the Sept 9 incident, 26 of the LCT's executive members submitted their resignations en masse to put pressure for a reorganization in the labour body. Ahmad who

had earlier been sacked by the State Railway of Thailand (SRT) for inciting the railway walkout in July also resigned as the LCT president to pave way for a shakeup.

The move prompted a call for the election of new leadership on Nov 17 marking a change of momentum on the side of the reformists. The 48-year-old acting president of the LCT, Thanong Po-arn, who has vowed to chart a new course for the organization was overwhelmingly elected as the LCT's new president.

**T**HANONG immediately declared that he would scale down political activities of the labour body and pledge for its unity as well as independence.

"LCT in the future will not be subjected to the influence of any organization or individual. It will never again be a tool of or manipulated by any political movement," he stated.

However, the new president admitted that the task to restore the credibility of the LCT was not at all an easy one, especially when he had to inherit the organization at the time of its lowest ebb.

Stressing on the salvation of solidarity and the promotion of the betterment of labourers without giving too much weight to politics, Thanong said his organization would set its priority to improve the welfare of labourers and build trust among his colleagues.

"The issue of bread and butter must come first. But this does not mean that we will turn our eyes away from politics. Labourers should keep a close watch on political developments, but they should try not to meddle in political games. Labour movement itself is an interest group and its activities must aim at uplifting the quality of life of the workers," he said.

Thanong joined the labour movement in 1979 while he was working at a warehouse of a rice exporting company. He later became the secretary general of the Transport Labour



Unions Federation of Thailand, the post he has assumed until the present. He was elected the secretary general of the LCT in 1980 and later chosen as its vice president.

The new LCT president said his organization would from now on adopt a more moderate stance and pursue a conciliatory means to protect and enhance the interests of the workers. He added that a labour strike would be the last resort of the LCT to achieve its goals.

Thanong also said that one of his ultimate dreams was to bring all labour organizations in the country together to work for the common good of the working class. The time has come for the labour bodies to explore the common grounds for their unification.

The labour union leader, meanwhile, proposed that the first step toward the merger was to join hands to alleviate the plight of workers in the textile industry who are the victims of the economic recession and protectionism. Besides, all the unionists should cooperate with the other agencies to tackle the increasing unemployment, he added.

Thanong, after being elected last Sunday, almost immediately began talks on steps to forge a closer relationship with another major labour organization, the Thai Trade Unions Confederation (TTUC). Such a move was cautiously welcomed by TTUC president Paisal Thawatchainan who said later that a lot more had to be discussed for the unification because of the far different backgrounds of the two labour bodies.

Thanong will certainly have to work hard to match his words with deeds. He must fight to bring the LCT back to its former shape, and he must also prove his determination to build the solidarity of workers and to uplift the spirit of unionism.

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CSO: 4200/386

NORTHEASTERN MPS ASK PROMOTION OF MONK ACCUSED OF CPT TIES

Bangkok THE NATION in English 30 Nov 85 p 5

[Text]

**THE controversy over the pending appointment of senior Buddhist monks to fill two vacant high-ranking posts became more heated yesterday when a group of 16 northeastern MPs signed a petition to Premier Prem Tinsulanonda calling for the nomination of Wat Mahathat's Abbot Phra Pimoltham to the one of the posts.**

The monks who occupy the posts, known as "Somdej Phra Racha Khana" (equivalent to patriarch), are next in line to become the next supreme patriarch.

The MPs said Phra Pimoltham's appointment would boost the morale of the people in the northeastern region since the abbot is a native of Khon Kaen and is widely respected among the northeasterners.

The representatives said they decided to lodge the petition because clerical affairs could not be completely isolated from the secular world, especially in a Buddhist society and, therefore, the clergymen and the government, particularly the Democrat Party, which is directly in charge of religious affairs, should not ignore the voice of the people.

MP Klaew Norapati (Khon Kaen) said the people in Khon Kaen planned to hold a

three-day celebration if Phra Pimoltham was nominated as a Somdej Phra Racha Khana.

However, he added, the discontentment among the northeasterners might run higher if he was not appointed and a group of northeastern monks had already threatened to declare their independence from the Sangha Supreme Council (the governing body of the Thai Buddhist monks) in response.

Meanwhile, Phra Thamvarodom of Wat Pathum Kongkha, a member of the Sangha Supreme Council, said that the council met yesterday afternoon but the issue of the appointment of the patriarchs was not raised during the meeting.

He said if the government did not make any decision on the promotion, the Supreme Patriarch might be forced to make the final ruling.

The issue has become controversial because the appointment has been delayed for almost three years following the death of two patriarchs, Somdej Phra Butthacharn and Somdej Phra Dheerayanmunee. Four senior monks including Phra Pimoltham were nominated late last year as candidates for the posts. The list of nominees was then furthered to the Prime Minister's Office and later to the Office of His Majesty's Principal Private Secretary for Royal approval.

However, the office returned the list to the Prime Minister's Office reasoning that the nominees should be screened down to two. According to the initial schedule, the official appointment was expected by Dec 5 to celebrate the birthday of His Majesty the King.

The stalemate

prompted concern among the people in the northeast. Ten senior monks from the region on Wednesday gathered in front of the Government House to urge the government to speed up the nomination and to support Phra Pimoltham.

There are generally six "Somdej Phra Racha Khana" posts and they are virtually deputies to the Supreme Patriarch. They also automatically become the members of the Sangkha Supreme Council.

Phra Pimoltham had been the abbot of Wat Mahathat since 1948 before being stripped of the post and defrocked and tried on communist charges during the Sarit government. He was exonerated and reinstated in May 1978.

He has been hospitalized since Oct 10 at the Siam Hospital in Bangkok for treatment of cerebral embolism.

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CSO: 4200/386

KHMER GUERRILLAS SELL WEAPONS

Bangkok THE NATION in English 1 Dec 85 p 1

[Text]

TRAT — Police arrested two people in connection with the seizure of 10 assault rifles, nine grenades and an amount of ammunition smuggled from Kampuchea Friday, police said yesterday.

The haul was part of a police crack-down on the smuggling of war weapons for sale in the border province. The widespread smuggling has been blamed for a sharp rise in crime along the eastern border.

Acting on tips-off, the police team led by Trat Police Chief Pol Col Prayong Rochanasaengrat raided a house in Tambon Laemkiad in Muang District here and uncovered the large arsenal of war weapons.

The two suspects nabbed in the raid were identified as Samrarn Chantasen and Waen Muennuch. They were charged with possessing war weapons and were held at Muang police station here.

The war weapons seized in the haul include nine AK assault rifles, 1,806 rounds of AK ammunition and nine grenades.

The suspects reportedly confessed that Khmer guerrillas sold them the weapons for 3,000 baht for each rifle to relieve their starvation. They were quoted as saying that they intended to sell the weapons for more.

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CSO: 4200/386

## BOONCHU DISCUSSES ASEAN ECONOMIC TIES, VIETNAM

Bangkok THE NATION in English 30 Nov 85 p 19

[Paper by Boonchu Rojanastien, presented at the CSIS International Councillors Meeting in Hong Kong, November 18-19, 1985]

## [Text]

**O**VER the last 20 years political leaderships and structures of individual ASEAN countries have rarely been tested. Very rapid economic growth in aggregate terms, in part made possible by high aid inflows, heavy foreign borrowing and booming demand for commodity exports, gave ASEAN's leaders an easy ride.

But the region in 1985 is suffering a sharp drop in economic growth. The world recession of the early 1980s only had a marginal impact on ASEAN (growth slowed by not more than one or two percentage points) but in 1985 the problems really came home.

**Bangkok Bank 1985  
growth projections:**

Indonesia:	2.4%
Malaysia:	4.2%
Philippines:	1.0% possibly negative due to
Singapore:	-1.0% cutbacks and lower
Thailand:	4.4% prices for oil and gas

As a whole this is the worst performance for 20 years. Two or perhaps three of the six countries have negative growth rates (Thailand comes out best because its economy is the most diversified).

The sharpness of this slowdown in the region's economic growth indicates the fragile nature of the type of economic development undertaken to date and the region's continued heavy reliance on commodity exports. (The World Bank's non-fuel commodity price index has dropped by 13 per cent over the last 12 months and is now at its lowest level in constant price terms since the index was started 27 years ago. The bank projects further decline in 1986).

The economic slowdown comes at a time when all the governments are under pressure to

sharply reduce the rate of foreign borrowing and budgetary deficits, so their ability to take stimulative countermeasures is weak.

On top of this although the region has been relatively successful in reducing the rate of population growth, because of the current young age structure of the populations the number of annual entrants to the labour market is very high. (In Thailand's case while population growth is now down to 1.8% per year labour market growth is still 3.5% meaning 800,000 new jobs have to be found each year. Indonesia has to absorb 1.8 million people into the labour market each year).

The basic question now is what impact this economic situation is going to have on the political process in each country, given the fact that firstly a number of important elections are coming up, and secondly that three of the leaders have been in power for 20 years or more and cannot be expected to remain in power that much longer.

We are facing a major test of the resilience of the political systems in each of the countries as a result of this collision between a deteriorating economic situation and the upcoming transitions in political leadership.

The Philippines' situation could be seen as an early example of this scenario. With the economy already beginning to show severe strain, the assassination of Aquino provoked a complete collapse of the economy and loss of confidence. This resulted in enormous capital flight which is exactly the same problem that has so badly undermined the Latin American debt crisis countries.

Of course, when one speaks about ASEAN as a whole one is generalizing; there are significant differences in each of the countries.

Thailand with its most diversified economy and its bi-polar development path — trying to develop both economic and political systems simultaneously — is better placed, more adaptable.

I'm not suggesting that the ASEAN countries are actually going to disintegrate like the Philippines but that we are entering a time of greater tension and unpredictability.

### GENERAL VIEW ON THE WORLD ECONOMY

If Southeast Asia with its massively rich resource base, relatively well disciplined societies and relatively low external debt burden is in 1985 suffering its worst recession in more than 20 years, what can the future for the rest of the developing world be?

And if the developing world is in a state of near collapse what chances has the global economy as a whole of returning to a new era of sustained, stable, non-inflationary growth?

My answer would be no chance at all.

Dr Kissinger's recommendations repeated over the last 12 months or so have been like a light in the dark wilderness for many LDCs. His suggestions for massive Marshall Aid type programmes and complete rescheduling and burden sharing for the heavily indebted developing countries is probably the only way out.

And now at long last the US government seems to be beginning to recognize the real crisis nature not only of its own situation but of the developing world in general. At long last we are hearing vague suggestions from official US sources that perhaps indeed a total reform of the world economic system may be what is necessary.

I firmly believe this is the only way out of the present crisis. The Latin American nations cannot withstand any more World Bank/IMF adjustment programmes. Their socio-political cohesion cannot withstand any more pressure. I would suggest that we are within six months of a general Latin American suspension of debt servicing. The Latin American summit scheduled for early next year will be a critical time.

Everything that the lenders can do to these countries has already been done. There are no other big sticks that can be used. Add to this recipe the prevailing protectionist sentiment in the US and the debt crisis time bomb is nearing flash point.

The post-World War Two international economic system as established in Bretton Woods ran out of relevancy when the US government could no longer maintain its anchor role. The oil crisis of 1972-73 was the last gasp of a system that had more or less served its purpose and provided the world with 25 years of relatively stable conditions during which reconstruction and recovery took place.

For the last 15 years the global economic system has been totally adrift and until we replace Bretton Woods with something, something more equitable and relevant to 1985 and the rest of this century, the global political economy will continue to spiral downward to

collapse and chaos. I am not a proponent of the doom and gloom school by nature, but the facts speak for themselves. We have no choice but to cooperate, and quickly.

### ON THE NEED FOR AN ASEAN COMMON MARKET

In my presentation I indicated that ASEAN appears to be approaching a major watershed in its 18-year-old history. The challenge before this regional grouping is that to successfully negotiate this transition period we must dramatically accelerate regional cooperation, even integration, particularly in the economic field. The alternative as I suggested, is that each country will turn inward to its own economic and political preoccupations.

ASEAN's unity today revolves around a common diplomatic and foreign policy approach to the Indochina question. There is no substantive economic cooperation at all.

However, I detect some fragmentation of even this foreign policy unity toward Indochina.

We are seeing the emergence of Indonesia as one of the largest and most resource-rich developing countries. It is likely that Indonesia sees itself as the natural leader of ASEAN because of its overwhelming size compared with all the other ASEAN states. Today Indonesia has a population of around 165 million, three times that of the next two largest countries — the Philippines and Thailand. By early next century Indonesia's population should have stabilized at something over 300 million people compared with perhaps 120 million for the Philippines and just under 100 million for Thailand.

Observers detect some impatience in Indonesia's attitude toward Thailand's foreign policy on the Indochina issue. Traditionally Thailand has been more or less able to set ASEAN's outlook on this issue because, after all, Thailand is the country most directly involved. But Thailand's Indochina policy has become frozen which is rather untypical of Thailand. I would suggest it has become frozen largely because the policy itself has become enshrined in ASEAN and at the free world level in the United Nations. It seems as though Thailand is afraid to explore any new initiatives for fear of losing the strong support which exists for the present policy.

Indonesia on the other hand has been much more active in trying to explore alternatives and I for one applaud this initiative. I think we need to give Vietnam some options and the sooner the better. Vietnam's present position is untenable in the medium term. It must sooner or later reconcile itself to living with China, not the Soviet Union.

The last time China tried to teach Vietnam a lesson the mission was not very well accomplished. But with China's present rate of modernization, which I believe will be sustained, Vietnam cannot today have any illusion about the fact that there must never be another lesson.

From every perspective, except the Soviet's own, the latter's military establishment in Vietnam is completely out of place. The sooner

ASEAN allows Vietnam to reach some accommodation with China over Kampuchea, the sooner Vietnam's dependency upon the Soviet can be severed and Vietnam's independence reasserted.

This problem over ASEAN's policy toward the Indochina issue has led, some say, to a growing Indonesian disenchantment with ASEAN in general.

Again we have this watershed situation. When for a number of reasons ASEAN should be seeking a renewal of political will to accelerate regional cooperation we have the makings of a disagreement in the one area where cooperation has been, up until now, quite successful.

So what chance can we give to movement toward accelerated economic cooperation, let alone integration?

I remain cautiously optimistic. As the economic situation continues to deteriorate I believe the pragmatic nature of ASEAN politics will force its leaders to sit down, sooner rather than later, and address the real issues of economic cooperation.

### ON THE PRESENT ECONOMIC CONDITIONS

Identify eight areas of concern in the economic field:

- Firstly, whatever success the ASEAN countries can claim in the past. It is the success of individual nations, not of regional co-operation. After 18 years, ASEAN as an economic entity still does not exist.
- Secondly, as growth rates slow, the underlying poverty in the region is being exposed. Of the 280 million people, some 260 million have an average weighted per capita income of only \$700 per year.
- Third, the region is running a combined current account deficit of around \$9 billion a year, which is unsustainable over the long-term.
- Gross capital formation and domestic savings rates are falling below those of previous decades.
- Natural resources have been consumed at wasteful and unsustainable levels.
- Commodity prices continue to fall while the region's dependence upon commodity exports remains very high. The World Bank's non-fuel commodity price index is now at its lowest point in constant terms since the index was established 27 years ago. Moreover, these price declines are increasingly being regarded as structural rather than cyclical in nature, making the outlook appear rather bleak.
- Persistent budgetary deficits in Malaysia and Thailand, and Indonesia if the price of oil drops any further, constrain these countries' policy options at a time when political pressure is building for measures to stimulate domestic demand.
- Lastly, the external debt profiles for Indonesia, Malaysia and Thailand are such that all these countries must sharply reduce their rates of foreign borrowing even though voluntary lending by commercial banks remains readily available. Again, the option to borrow one's way through a period of slow growth is no longer available.

## TO EXAMINE THE POLITICAL SCENE

I would briefly like to examine the integrity of the individual ASEAN countries' political institutions. In general Brunei can be discounted. With the world's second highest per capital income of \$22,000 per year, Brunei is the shining gem in ASEAN's once sparkling crown.

The situation in Thailand is unique in many respects, not least because it has developed a fascination with using the coup d'etat as a frequent mechanism for the transfer of power. But nearly 700 years of existence as an independent sovereign state free from colonial repression, the pervasive influence of Buddhism and the revered nature of the monarchy give Thai society a resilience and an ability to change without loss of integrity.

Since the student revolution of 1973 a true parliamentary democracy has been struggling to establish itself in the face of a politicized military which tends to see itself as the only effective organization in the country. This struggle is finely balanced today but the inability of the coalition government to handle the current economic recession may tip the balance once more in favour of the military.

The one thing to remember, however, about Thailand is that whatever happens at the political level, the country goes on much the same since it is basically run by the bureaucracy which is increasingly professional and deeply entrenched.

Looking south to Malaysia, we see a functioning democracy supported by professional, non-politicized armed forces cast in the British tradition. The only thing that worries me about Malaysian politics is the ethnic base of the political party structure. Race remains Malaysia's Achilles' heel and the development of ethnically defined business conglomerates around each of the major political parties is not helping. However, the new economic policy launched in 1970, has effected a substantial redistribution of wealth and the economy's basic wealth is so great that I believe the country will continue to progress satisfactorily, as long as the Islamic fundamentalist issue remains in the background.

Singapore, a city state, is basically a well-administered society. Even the shock of negative growth this year after 20 years of nearly 10 per cent growth will not in any way shake the firm foundations that Prime Minister Lee Kuan Yew has constructed. I foresee no political problems for Singapore although it may take longer to restructure the economy than is generally expected.

Indonesia is ASEAN's emerging giant, a one-party state clearly under military direction. The military is firmly integrated into every facet of national life through the concept of two functions — military and socio-political.

Some people have suggested that because of the close relationship between Thailand's Supreme Commander and his counterpart in Indonesia, Thailand's military may be trying to develop along similar lines. I personally doubt this is possible in Thailand where the traditions of individual freedom are deeply ingrained.

Having established the National Creed, Pancasila, as the overriding principle for all organizations I believe Indonesia has successfully and intelligently defused the Islamic fundamentalist issue.

Indonesia's one weakness is its overwhelming dependence upon oil which accounts for 65 per cent of government revenue and 60 per cent of exports. If the price of oil slips much further, or even collapses temporarily, Indonesia with its vast low-income population would find itself very short of financial resources with which to implement its development efforts.



Last, but certainly not least, we come to the Philippines, the sick man of ASEAN, the only country in the region with a political crisis, a debt crisis and a rapidly expanding insurgency movement.

If President Marcos goes ahead with his plans to call an early election I don't think that will solve anything. He will probably win, and that will leave the United States with little or no leverage at all. There is some indication that the younger professional military elite is preparing to make a move but at this time I remain rather pessimistic about the outlook for that country.

## CONCLUSION

What worries me is that political change is faced by a number of ASEAN nations in the near future — changes that could lead to instability, which might make cooperation and integration much more difficult.

My hope is that whatever political changes take place, the political determination to bring about cooperation and integration will prevail, so that ASEAN will become an active economic force in the world, instead of a passive sufferer of the world's ills.

Given these circumstances, does the United States still have a major constructive role to play in the ASEAN region? I believe that it has.

Since the Nixon doctrine of 1969 which resulted in the withdrawal of US military forces from the region, the United States has chosen to assign much of its security responsibilities to other states in particular China. That policy became popularly known as the China card policy.

However, during the past decade, US foreign policy conduct, governed by that same spirit, has made ASEAN nations wary about the reliability of the United States as an ally. Many have told me that "US promises rarely come through these days." Many have expressed frustration at the lack of cooperation from the United States, not just in the domain of defence but on all matters.

To resolve what could lead to a worsening of this tragic misunderstanding among friends, the United States as a great industrial nation, I believe, can contribute to the region's stability in a big way by helping to create favourable conditions for economic growth and prosperity of the ASEAN nations.

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CSO: 4200/386

## SPENDING CUTS PLANNED OVER REVENUE LOSSES

Bangkok THE NATION in English 25 Nov 85 p 17

[Text]

**T**HE Finance Ministry, expecting substantial revenue shortfall due to economic slump, is considering whether it should cut government spending for fiscal 1986 by 4,000 million baht after a similar attempt failed in the previous fiscal year, according to well-informed sources.

The government has already approved the expenditure budget for fiscal 1986, beginning last month, at 218,000 million baht. It has also set the target for revenue at 185,000 million baht.

The sources said that the sluggish economy would cause a shortfall in revenue of 8,000 million baht. The ministry wants government units concerned to begin cutting their expenditure from the beginning of the fiscal year so that they will have enough time to revise their spending.

The government also expected revenue shortfall in fiscal 1985. The Cabinet decided that the expenditure should be cut by 4,000 million baht but this was not achieved.

The Finance Ministry, the sources said, wants to cut the spending to avoid further borrowing to offset the expected revenue shortfall. Senior officials of the Department of the Comptroller's General are studying which parts of the spending should be slashed.

The country is in the midst of economic slump which reduced

the growth this year to only 4.5 per cent, down from six per cent expected when the government decided to devalue the baht last November.

Revenue collection in the previous fiscal year amounted to 163,000 million baht only compared to the targeted 178,000 million baht. The expenditure budget was 213,000 million baht. The government offset the budget deficit through borrowing from external and domestic sources.

Fiscal 1985 also saw austerity measures adopted by the government which eventually led to the zero-growth budget in fiscal 1986.

The ministry expects that its tax revenue in the current fiscal year would fall as private businesses are struggling to survive amidst unfavourable environment. The country also faces trade deficit and shortfall in export earnings from major commodities while industrial goods are facing increasing protectionism in western industrialized countries.

Exports of garments, tin and other agricultural commodities face bleak future.

Finance Minister Sommai Hoontrakool said last week that he will submit a package for tax restructuring to the Cabinet tomorrow to stimulate private business.

This was seen as a move to ease fiscal policy based on three objectives — expansion of tax base, reduction of personal income tax and certain corporate taxes to reinvigorate private business for long-term benefits, and improvement in tax collection efficiency.

The minister also hinted last Friday that oil tax restructuring might also be proposed for approval. This will lead to a more equitable pricing and balanced pattern of consumption in compatible with domestic oil refining capacity.

The consideration for expenditure cut for fiscal 1986 is just in the initial stage because senior officials have to look into the possibility for such a move because the government's budget also sees zero growth.

Ministry officials will also look into major debt bunching in 1987 because the government cannot refinance its borrowing through issue of bonds.

The government has already formed a three-member team to review the whole industrial development plan for the Eastern Seaboard and all major activities which would further lead to government burden if they not are frozen during a 45-day period.

The team, led by Minister of the Prime Minister's office Suli Mahasandana, includes Deputy Finance Minister Dr Suthee Singhasaneh and Minister Meechai Ruchupan.

Meanwhile, Secretary General of the National Economic and Social Development Board, Dr Snoh Unakul, said in Pattaya at the weekend that the team was not confining the review to only the ESB programme, but other projects within the ceiling set for external borrowing at US\$1,000 million for fiscal 1986.

"There was a misunderstanding that the review was only for the ESB. This was because the focus is on the ESB which requires the largest portion of investment. Other projects, such as the Mae Kuang Dam of the Irrigation Department, are also included for priority ratings," he said.

The three ministers will meet officials responsible for each project to evaluate their significance, Dr Snoh said.

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CSO: 4200/386

SOMMAI INTERVENTION ON PROJECT DUE TO CONCERN OVER DEBT

Bangkok THE NATION in English 22 Nov 85 p 25

[Text]

**THE review on all projects on the Eastern Seaboard ordered by the prime minister has suddenly sparked off uncertainties over the much-heralded ambitious scheme to turn the region into the country's biggest industrialized zone. The prospects for the ESB to become Thailand's Riviera and Silicon Valley at the same time have been dampened.**

It was inevitable for the government to review the whole scheme. Finance Minister Sommai Hoontrakool, in a letter dated October 28 to the Council of Economic Ministers, raised the spectre of Thailand's growing debt burden with little prospects for improvement in the next few years while economic recession persists.

The minister's letter could be considered as a trigger for everybody involved in the scheme to realize that the country cannot afford to spend huge funds on the grandiose projects as once hoped.

The minister's letter outlined the plan for external borrowing for fiscal 1986 and assessment on the debt burden. The minister mentioned that the External Debt Committee met on October 17 and came out with various guidelines.

Sommai pointed at the problems caused by external debt shouldered by the government. The debt service ratio has already soared through the ceiling fixed at nine per cent. It means that the annual govern-

ment's debt service has exceeded nine per cent of earnings from exports of goods and services.

Under the regulations on the country's borrowings for 1985 as announced on March 24, it is mentioned that the External Debt Committee cannot seek approval from the Cabinet to raise the ceiling by more than two per cent in the next three years after the regulations have become effective.

Sommai's letter said it means that by fiscal 1989, the government's debt service must be brought below nine per cent of earnings from exports and services.

The annual debt service ratio for the government sector can be six per cent at the minimum and 11 per cent at the maximum. The minister predicted that the debt service ratio could see annual growth rate of 10 per cent in 1987.

The minister pointed out that the debt service ratio exceeding nine per cent existed though there was thorough planning on borrowing in previous fiscal years taking into consideration the debt outstanding at the time of new borrowings. The major cause was the unusual foreign exchange earning from exports during 1982 to 1985.

Previous estimates showed that the country's foreign exchange earnings would grow at five, 7.6, 19.8 and 12 per cent annually during the period. However, the final figures showed the real growth at 3.6, (-5.3), 15.7 and two per cent, respectively.

What was very unfortunate was that it was also a period for

the government to repay loans obtained from private capital markets abroad for investments in projects of state enterprises and procurement of military hardware which began in 1976. In some years, the amount committed was up to 50 per cent of the total annual borrowing.

The minister's letter mentioned that the External Debt Committee concluded that suspension of new borrowings would not solve the existing problems. This is because the government has debt burdens, compounded by shortfall in foreign exchange earnings and the bleak prospects for the country to have substantial increase in foreign exchange income, in the near future.

The minister pointed out that suspension of borrowing could have severe impact on the country's economic growth. The only solution available is to reduce the amount of new borrowings to a suitable level, which must be compatible with overall economic growth according to the National Economic and Social Development Plan. By this, the country has to maintain economic, currency stability and keep the level of the country's debt to be at a level which does not affect the country's credibility in the eyes of the international community.

The government has to improve debt management to resolve the problems of debt bunching in each year through refinancing. Sommai said that a preliminary study shows that if the country refinances US\$700 million in fiscal 1986, based on an estimated increase in the growth of foreign exchange earning at six per cent and 10 per cent beginning in 1987, Thailand will be committed to new borrowings during 1986-1989 by not over US\$1,000 million annually.

If this is achieved, Thailand will be able to control the debt service ratio within the ceiling, he said.

The minister said the External Debt Committee has concluded that the external borrowings for fiscal 1986 should not exceed US\$1,000 million to be in conformity with the ceiling and the country's economic growth based on stability.

Projects marked for external borrowings have also been proposed. The minister's letter said that projects and loans already committed so far amount to 14 and they require US\$501 million.

There are nine projects for which the signing for loans have been postponed to this year, amounting to US\$399.3 million.

There are also projects already approved by the Cabinet or the NESDB, or under NESDB's consideration, or those waiting approval from the Finance Ministry for external borrowing, or those still under preparation. The NESDB has worked out the priority ratings for these projects so that their implementation can be compatible with the targets for economic and social development and stability. There are two projects under these categories, requiring US\$91.5 million.

There are reserved projects, mainly in the preparatory stage and awaiting approval from the NESDB and the Cabinet. There are 12 of them which require US\$431.1 million. These projects can be entitled to borrowings during fiscal 1986 only when cutbacks are made on other projects by the same amount.

The Cabinet and the Council of Economic Ministers approved the ministry's proposal to raise the ceiling to 11 per cent and set the maximum borrowing for fiscal 1986 at US\$1,000 million.

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CSO: 4200/386

## CENTRAL BANK KILLS DEVALUATION TALK

Bangkok THE NATION in English 1 Dec 85 pp 1, 2

[Text]

**MANAGER of the Exchange Equalization Fund (EEF) Chavalit Thanachanan yesterday strongly denied speculation that the baht may be "devalued" again. He stated emphatically when contacted by *The Nation* that the Thai baht will continue to be pegged to a basket of currencies.**

Chavalit, who is also deputy governor of the Bank of Thailand, was commenting on a spate of rumours in the local money market and business circles of "some major adjustments to the baht."

Bankers said the rumour gained momentum last week when the baht appreciated to 26.04 baht per US dollar, the highest since the baht was devalued last November.

The strong baht has affected the country's exports. At the same time, the declining dollar has also contributed to a significant capital outflow with offshore money borrowers trying to cash in on the situation to repay their foreign debts.

But Chavalit confirmed yesterday that the public could rest assured that there will be no drastic change in the baht.

"I have said several times that we have three main criteria in fixing our daily rates: the weights of the foreign currencies in the basket, the volume of transactions of foreign currencies and international trade," he said.

Chavalit said that the Finance Ministry and Bank of Thailand have a policy of not allowing the baht to become "too strong," to help exporters.

"While we continue to base our judgment on the basket of currencies, it would not be wise or practical to blindly stick to the basket without taking into consideration other factors involved. The country's economy must be part of consideration," he said.

Chavalit said that to devalue the baht again under the present circumstances would affect the basket of currencies. So far, he said, the baht has weakened against other major currencies but has strengthened against the Singapore dollar and Malaysian ringgit.

Compared to the Japanese yen, the baht has weakened 9-10 per cent, and against the German mark, the baht has depreciated by 8 per cent, while the baht has appreciated 3-4 per cent against the US dollar, he said.

Chavalit stressed: "Under the current system of linking the baht to a basket of currencies, we do have sufficient flexibility to ensure that the baht doesn't become so strong that it affects the country's economy."

Mr Ekkamol Khirawatana, the central bank's director for bank supervision and examination department, said yesterday: "Everything appears normal." He said he had not heard any rumours which have been spread within the business circles over possible changes in the value of the baht against foreign currencies.

Informed sources said that the central bank has been cautiously exercising the "managed float" system for the baht by intervening when the need arises by entering into transactions of foreign exchange in the morning of working days to keep the money market normal.

## KING'S HONOUR

the guest-of-honour.

Young and spirited in their efforts were the 50 youngsters from Ayudhya, who manned the winning boat, the 'Sri Ayudhya.' They never flagged either in their desire or purpose, straining every sinew in a balance of perfect striking and coordination, allied to boundless stamina that were the winning ingredients in their own birthday cake. If they got the better of their rivals, Construction Cost Co/TV Rental's 'Sri Suriyothai,' in a tight first race, winning by the proverbial whisker, then their second was a breeze as they stroked their craft to perfection, making every stroke a winning one, as they streaked away from rivals to win convincingly.

Racing apart, Serm Suk (Pepsi) also made their mark in the 30-oarsmen event.

It was a day for young and old, in fact, a day for the family. In an environment that was full of gaiety, and saw the large crowd entertained throughout a hot day by some great drumbeat and cymbal music from the Northeast, a long session of Country and Western music, loads of

food and drink, a camaraderie that pervaded the hotel's environs, the River City Complex and even the other side of the mighty Chao Phya River; the long-boat races and the spectacular parachute display and rescue operation staged by the Royal Thai Army's Special Forces, the occasion, for all its length — a full 12 hours of many-faceted activity — was a celebration befitting the country's beloved Royal Monarch, who was honoured early this year, some five days in advance of his 58th birthday, in what was truly a majestic setting.

As one of the many tourists there yesterday was heard to remark, "I wouldn't have missed this for the world. And your King must be more than someone special to honour him like we've seen today. God bless him."

Yes, it was indeed a God-given day, and even the scorching sun that beat down on rowers and on a delightful scene could not damp the ardour and enthusiasm that contributed to make this more than a day to remember.

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CSO: 4200/386

## THAILAND

### EXTERNAL DEBTS, DEBT SERVICE RATIO GO UP

BK030645 Bangkok BANGKOK POST in English 3 Dec 85 p 19

[Text] Thailand's outstanding external debts for last fiscal year ended on 30 September totalled U.S.\$13,347 million, with the debt service ratio soaring to 21.8 percent, up from the previous year's \$11,696 million and 19.8 percent, respectively. It was also predicted that the debt service ratios for this and next fiscal years would exceed 20 percent, then decline below 20 percent in 1989.

An informed source at the Bank of Thailand said that of the total external debts, \$3,581 million was owed by the private sector--equivalent to about 10.6 percent of the debt service ratio. Of this amount, \$3,180 million is loans and the remainder trading credits.

Total debts incurred by the government sector were \$8,751 million, 11.2 percent of the debt service ratio. Government debts included loans of \$5,438 million to state enterprises, with the remainder to other government agencies.

The debt service ratio is a scale used in indicating a country's ability to repay its external debts, based on every \$100 earned from exports. Under international norms, the debt service ratio should not exceed 20 percent.

Total external debts in the 1984 fiscal year were only \$11,696 million, with the debt service ratio at 19.8 percent. The source said the 21.8 percent debt service ratio did not include short-term loans whose repayments did not exceed 1 year.

Short-term loans on 30 September totalled about \$2,000 million, of which \$490 million was trading credits. For the entire 1984 fiscal year, short-term loans totalled \$2.84 [figure as published] million.

The source also said the debt service ratios for this and next fiscal years were expected to remain more or less at the same level as last year. But it was predicted that it would decline in 1988 and eventually fall below 20 percent in 1989, the source added.



"However, it all depends on the government's policy of not creating unnecessary additional external debts," the source said.

The government, in tightening its spendings, has already fixed its new external borrowings for the 1986 fiscal year at \$1,000 million [amount as published]. Moreover, it has also suspended the implementation of many big investment projects.

The source said commercial banks' outstanding external debts on 30 September totalled \$282 million, down sharply from \$782 million in 1984 and \$932 million in 1983.

"This is an obvious indication that a large amount of foreign currencies have flowed out of the country due to debt repayments by commercial banks which have taken advantage of the weakening dollar," the source said.

Asked whether Thailand's current debt service ratio was as high as the Philippines when that country announced that it could not repay foreign loans and sought moratorium, the source said: "The Philippines' debt service ratio was higher than 30 percent, while ours was only 21.8 percent."

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CSO: 4200/373

## INDUSTRIALISTS WARNS OF ENERGY USE RISE

Bangkok THE NATION in English 1 Dec 85 p 3

[Text]

**A LEADING industrialist has warned that the stability of Thailand's whole economic system may be at risk if the government continues to procrastinate in mapping out a more productive pattern of energy consumption.**

Senior Vice President of Siam Cement Co Mr Amaret Sila-On wrote in the Asian Wall Street Journal published on Friday that the current and largely "invisible energy crisis" had occurred because the Thai government has for years skillfully focussed public attention almost solely on the supply side of the energy picture.

"As a result, there are glowing reports about the country's ability to supply more of its energy, about friendship deals with oil-producing nations to supply the rest and about the prospect of a bonanza at the end of a rainbow when the country exports liquefied natural gas. Thai leaders have been so successful in pursuing a procrastination strategy that they've mesmerized themselves and their compatriots into ignoring the demand side of the energy equation," Amaret said.

He proposed that existing subsidies for cooking gas and automotive diesel be stopped pointing out that Thailand still has to import more than half its total energy needs.

"Any further delay in working to get a better, more productive pattern of energy consumption would exacerbate the already considerable pressure on Thailand's current-account deficit and put the stability of the country's whole economic system at risk," he warned.

Amaret said that for years, the government has refused to pass

along the price increases to domestic energy users and energy demand rose as a result, prompting ever more oil imports and contributing to Thailand's current foreign-debt burden.

"In recent years, Thai planners have reduced this subsidy for energy consumption, but it could improve things even more by letting energy prices that consumers pay better reflect the costs paid by producers. This is called free-market pricing," he pointed out.

There has been some good news to indicate that the government is concerned about the matter, he said. A high-powered working group was formed to establish a comprehensive energy policy. "But there is some bad news too. Early indications are that the committee is off on a dubious tack. It is concentrating first on where Thailand's supplies of energy are going to come from instead of on how much demand will grow and on how to alter the consumption pattern to more productive ends," Amaret said.

He noted that recent studies by energy experts indicate that Thailand's total energy consumption is likely to grow between 5% and 8.5% this year, and 5% to 9% next year — while the economy is likely to have real growth of between 4% and 5% each year.

"Given the steadily increasing consumption, Thailand's energy requirements in three years are

likely to increase by 30% from the current level," Amaret said.

To finance such additional energy requirements — even if world oil prices remain at the present level — Thailand will have to find a new export item that brings in as much as rice currently does, he said.

"This is a daunting prospect. Given the terrible state of commodity prices and the growing spectre of trade protectionism, it's highly unlikely that Thailand can generate enough new export earnings to pay for the extra energy needed," he wrote in the AWSJ article.

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CSO: 4200/386

# MINE CLOSURES EXPECTED OVER TIN COUNCIL PROBLEMS

Bangkok THE NATION in English 22 Nov 85 p 17

[Text]

**THE Mining Industry Council said yesterday that local tin miners were left with two options — closure or temporary suspension of their operations — as the International Tin Council was still unable to come out with new measures to resolve its financial crisis.**

President of the council, Rachan Kanjana-vanit told a press conference that the two options could be adopted until the situation improves. He warned that if tin price falls sharply it is likely that many tin mines will go out of business.

Many tin mines have already planned to cut down the number of workers with some being laid off. Repurcussions will be felt by lathe and foundry mills whose income would be severely affected, he said.

The council has already submitted a proposal to the government to reduce their burdens, particularly royalties, which are the highest among tin producers. The government will submit a relief package to Council of Economic Ministers next Monday.

Rachan expressed confidence that local tin miners are competitive with other producing countries if the burden is reduced to the level of others. "We are far more competitive in terms of production cost and quality of tin ore. The main burden is the royalties," Rachan said.

The ITC met Wednesday and agreed to meet again next

month in a marathon session to work out a plan for reopening tin trading.

The council said in a statement that it would reconvene on December 2 and would "remain in session until it reaches a definitive decision relative to the resolution of the current crisis."

The London Metal Exchange suspended tin trading on October 24 after the 22-nation tin council ran out of credit and stopped supporting tin prices by buying excess supplies of the metal.

According to AP report, tin council delegates said the decision to hold next month's continuous session was the result of pressure from smaller producing and consuming member countries.

"We have to decide then whether the council sinks or swims," said one delegates. Another said, "it will be the crunch meeting for us all."

The delegates spoke on condition they not be identified.

During Wednesday meeting, the tin council did not consider in detail any proposals for solving the crisis, the delegates said. The session was the council's fourth emergency meeting since the halt of trading.

The ITC owes 900 million sterling (US\$1.28 billion) to banks and metals dealers, and the creditors have offered to refinance the debts if the tin council's member governments give loan guarantees. Britain is the only country that has offered to give such guarantees.

Rachan warned that the mine closures and suspension of operations will lead to shortfall in government revenue from tin exports and royalties.

Thailand's tin export revenue during the first half of this year amounted to 3,118.6 million baht, with 670.8 million baht in royalties. The export in metal form amounted to 9,994 tons, compared to 18,332 tons in 1984 with a revenue of 5,267.5 million baht and 1,017.2 million baht in royalties.

Council's Vice President Darm Thiewthong said that there will be severe impact on the economies of southern provinces stretching downward from Chumphon. Central provinces such as Kanchanaburi, Ratchaburi, Suphanburi and northern provinces such as Chiang Rai and Chiang Mai will also be affected.

He predicted that situation will be no good for the whole mining industry next year because the impact caused by tin has already spreaded to other metals such as copper.

Since October 24 until the middle of the last quarter of this year, Thailand was holding a total export quota of 4,500 tons, but miners were unable to sell tin ore leading to cashflow problems.

Darm said that this was because the miners were unable to sell ore to Thailand Smelting and Refining Co Ltd. They were unable to transfer tin ore from godowns because they would be required to pay royalties instantly, based on the last posted price which was very high. The council has reached agreement for THAISARCO to pay 100

baht per kg initially to tin miners.

The Cabinet's decision on Tuesday for miners to be able to export tin concentrate would take at least a month for them to go through all formalities. The council urged the government to introduce regulations on this issue as soon as possible.

Darm said commercial banks have turned down a council's request for them to provide guarantee for ore deposited by miners at THAISARCO. "It could not be done because there is no posted price," he added.

Bangkok Bank has lent 10 million sterling to the ITC's buffer stock and other mining firms, he said. The ongoing crisis will have more impact on mines which use suction method. There are 290 mines of this type, Darm said.

He also explained that the tin ore smuggling problem was mainly due to production control and export quota systems and not because the government prohibits exports of tin concentrate.

He said the current royalties, averaging 28 per cent of income, are the highest. "I have heard that Malaysia and Indonesia will further reduce their royalties to increase competitiveness," he added.

The current rates range from five per cent to 60 per cent for tin metal with price beginning from one baht to 20,000 baht per picul. There are eight rates. The council wants the rates to be from five to 50 per cent but the maximum would be 1,350 baht per picul when the price hits 18,000 baht.

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CSO: 4200/386

## ZINC ALLOY PRODUCTION

Bangkok THE NATION in English 22 Nov 85 p 25

[Text]

PADAENG Industry Co Ltd, a Thai-Belgian joint venture, will launch a new product, zinc alloy, for use in battery manufacturing next year with a total annual supply of 5,000 tons. At the same time, the company also reported a loss of revenue of 500 million baht due to zinc price fall in the world market, a top executive said yesterday.

Padaeng's President Krishna Sivakriskul said that the price of electrolytic zinc ingots has dropped from \$960 per ton six months ago to only \$670 at present. However, the company still had a profit of 200 million baht this year.

Krishna informed prospective clients at Erawan Hotel that Thailand still imports 100 per cent of zinc alloy from abroad. Domestic demand for the product is 3,000 tons a year but the company will produce 5,000 tons. The remaining 2,000 tons will be exported to other Asian countries.

"So far we have not begun marketing contacts," he said. Krishna explained that the price for zinc alloy in the world market ranges between \$700-715 per ton and Padaeng's product will be sold at more or less the same price.

The company will today hold a meeting with executives of companies which use zinc alloy as raw materials so that it can have market data and demand for production planning. It is in the process of machinery conversion which will wholly manned by Thai personnel next year.

Padaeng is the country's only electrolytic zinc smelter, using zinc ore from Mae Sot, Tak Province, for production. Some of the product are exported after meeting the local demand.

He said Padaeng maintains the policy of keeping its price below imported products to promote local industries though it is still based

on world price trend.

Krishna pointed out that if zinc price fall continues for a year producers worldwide will face a massive total loss of revenue up to 50 billion baht. "On our part, our loss of revenue stands at 500 million baht. But our gross profit is at 200 million baht, partly due to the higher price for zinc at \$900 million. The average price for this year is at \$800 million."

He disclosed that 50 per cent is consumed domestically, while the balance is sold to ASEAN and China. The company produces 60,000 tons of zinc ingots annually, accounting for one per cent of world production at six million tons.

## PRODUCTION

Before Padaeng began production, Thailand had to import about 30,000 tons of zinc ingots on an average annually during the past few years. The quantity accounts for 50 per cent of the company's output.

If domestic demand rises six per cent a year, the company can still cope with the growth up to 12 years. Domestic sales in the first 10 months of this year amounted to 18,578 tons while exports were 18,491 tons.

The company has appointed four local distributors. Krishna said Padaeng also assists producers who export zinc-based products but they must present sufficient evidence to have access to constant price.

Padaeng's price will not be higher than the European Producer Price plus insurance and freight charges and three per cent of discount. "That's why our price is lower than imported products which were subject to import duty and tax or otherwise," he added.

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CSO: 4200/386

## BRIEFS

BAHT DROP NOT DEVALUATION--Finance Minister Sommai Huntrakun yesterday said the drop in the baht's value against the U.S. dollar by 50 satang on Tuesday was not a devaluation. The rate change was an adjustment of the baht's value against the basket of currencies made by the Bank of Thailand's Exchange Equalisation Fund, he said. Both the central bank and the Finance Ministry have been following the exchange rate situation closely for some time and an adjustment has been made so as to suit the current situation, he added. Asked if the baht would be depreciated further to 27 baht a dollar, he said it depends on the international foreign exchange situation, but "there is nothing to worry about." This week's adjustment was actually made to benefit the country's exports, Mr Sommai said. His deputy, Dr Suthi Singasane, added that the adjustment had been made to be in line with the intervention in the foreign exchange rates overseas. [Text] [Bangkok BANGKOK POST in English 6 Dec 85 p 21] /9604

CSO: 4200/373

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK REPORTS ON CGDK MEETINGS IN PRC ON 9 DECEMBER

BK110708 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 10 Dec 85

/Text/ On 9 December, Deng Xiaoping, high-ranking leader of the PRC who had talks with the CGDK delegation, said the Chinese Government and people continue to resolutely assist and support the Cambodian people's struggle against aggression, territorial annexation, and racial extermination by the Vietnamese aggressors although this struggle might last a long time.

After the Samdech president of Democratic Kampuchea spoke about the determination of the tripartite resistance forces, Deng Xiaoping said he highly appreciated the struggle of the tripartite resistance forces of Democratic Kampuchea which are fighting as a noble national resistance movement and said that this struggle is making an important contribution to peace and stability in Asia and the Pacific as a movement which provides mutual assistance and support. Deng Xiaoping took this opportunity to talk about the experiences of the Chinese Army and people in the struggle against fascists and aggressors of Chinese territory in the past and who achieved victory following unity during many years of the Struggle. He specified that the Democratic Kampuchean struggle is not a movement isolated from the international community. It has scored great victories at the UN General Assembly sessions. He said that although the Cambodian people's struggle must face difficulties, as long as the tripartite resistance of Democratic Kampuchea unite, struggle and brave all difficulties, fight persistently, and receive people's support, this struggle will certainly win.

On 9 December, during a reception to welcome the CGDK delegation at the People's Hall, Zhao Ziyang, prime minister of the /words indistinct/ his conviction that as long as the tripartite resistance forces of Democratic Kampuchea firmly and persistently unite and continue the struggle against the Vietnamese aggressors, the solving of the Cambodian problem in accordance with UN resolutions will achieve results in the near future. He said currently, the Vietnamese aggressors are facing great difficulties both in Cambodia and in the international arena. Conditions are not favorable for the Vietnamese to carry on waging a war of aggression in Cambodia for long. As long as the tripartite resistance forces of Democratic Kampuchea unite in the struggle, the Vietnamese aggressors will be defeated because the Cambodian people unite and wage a vigorous and persistent struggle and with increasing support of the international community.



After the Samdech president of Democratic Kampuchea, CGDK Prime Minister Son Sann, and Vice President of Democratic Kampuchea Khieu Samphan talked about the situation of the struggle in Cambodia, the Chinese premier said the CGDK's determination to unite and fight against the Vietnamese aggressors until final victory is a great encouragement for the resistance movement of Democratic Kampuchea. Although this struggle has to face difficulties, it will successfully overcome them. He also expressed the stand of the Chinese Government in preserving and developing friendly relations between China and Cambodia and other countries the world over under the leadership of the party and government of the PRC.

/12228

CSO: 4212/31

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK NOTES 'STAND' OF ANTI-VIETNAMESE FIGHTERS

BK071325 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 5 Dec 85

/Station commentary: "Stand of the Fighter"/

/Text/ Fighting has become a sacred endeavor, an obligation for all Cambodian children at this time when our nation is invaded and occupied by several hundred thousand foreign troops bent on wiping out Cambodia from the world's map and exterminating the Cambodian race. Therefore, before this major obligation, what stand should the Cambodian fighter take in order to realize victory.

The fighter constantly keeps in his heart and mind the goal of liberating the nation. He must thus do everything to achieve this goal. Before carrying out an act, he must ask himself whether that act may or may not contribute to the liberation of the Cambodian nation. Each day, the fighter must ask himself whether or not he has done anything useful to the liberation of the Cambodian nation, and what has he done that may hamper his goal of liberating the Cambodian nation. One thing that the fighter must steadfastly uphold is discipline. The fighter respects discipline vis-a-vis himself and discipline vis-a-vis the community of fighters so that all can advance straight along the line heading toward national liberation, a vital necessity of the Cambodian society.

Fighters have sacrificed their physical, moral, and mental efforts and do not hesitate to offer their lives for the success of the struggle.

Struggle is a sacred undertaking; therefore, those who wage the struggle are sacred people. The struggle is strewn with all kinds of difficulties, and the fighters are men who can endure all these difficulties. Those who can endure and who dare to make sacrifices for the struggle are sacred people.

However, despite the fact that struggle is a difficult enterprise, the Cambodian struggle movement has been growing gradually, and the Cambodian fighters are multiplying in number, making it gradually more difficult for the Vietnamese to occupy Cambodia. This is a testimony to the fact that the Cambodians are becoming increasingly better aware of their obligation regarding national liberation, and this is a sign /word indistinct/ more clearly that our victory is drawing closer. No aggressors can break the will of patriots fighting for a just cause in the present era. The fighters will triumph.

/12228

CSO: 4212/31

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK STRESSES UNITY IN STRUGGLE AGAINST SRV

BK040935 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 3 Dec 85

/Station commentary: "Unity Is a Factor for Victory"/

/Text/ Since Vietnam invaded our country, there has been no clear sign to show that Vietnam will withdraw its forces from Cambodia before achieving its plan to annex Cambodian territory despite the annual adoption by the United Nations of resolutions calling for the withdrawal of Vietnamese troops from Cambodia to let the Cambodian people to determine their own destiny freely and independently. On the contrary, Vietnam has been reinforcing its forces with weapons and making every effort to implant infrastructures to control Cambodia according to a communist regime and to annex the beloved Cambodian fatherland. Every Cambodian, particularly compatriots who are serving the Heng Samrin puppet regime, are well aware of all the Vietnamese efforts and maneuvers being implemented in Cambodia because they have witnessed all these with their own eyes. What should we do to defend our fatherland against Vietnam's bad intentions? In response to this question, there is nothing but to fight.

As masters of the land, we, Cambodians, have the duty to strive to defend our property. We will not remain idle because we are responsible before the centuries-old Cambodian history our ancestors preserved. If we allow our territory to be lost, we shall be responsible for national history and Cambodia would become like Champa which was annexed by Vietnam or like the countries along the Baltic Sea which were absorbed by the Soviet Union. However, if we unite, we can clearly see that our just struggle will certainly achieve the result every Cambodian is aspiring for.

Currently, we are not alone in our struggle for freedom. We have the support of the international community, particularly justice-loving countries. To make our struggle more effective, the support of all the Cambodian people, particularly compatriots who are working for the Heng Samrin regime, is most important. Our compatriots should not help the Vietnamese and should try to show the Vietnamese our displeasure and that we will not allow the Vietnamese to annex our territory. For example, even scribbling a slogan in a public place against the Vietnamese represents a contribution to the struggle. When our country is facing this kind of danger, a Cambodian or a group of Cambodians cannot win over and force the Vietnamese to withdraw their forces from Cambodia. However, if every Cambodian, every group or party unite to struggle against the common enemy, the Vietnamese Communists will have no chance in Cambodia and the country will become independent and the Cambodian people free like people in other countries the world over. Unity is an important factor for victory in Cambodia.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK COMMENTARY SCORES SRV WITHDRAWAL TRICKS

BK071159 (Clandestine) Voice of Democratic Kampuchea in Cambodia 2330 GMT  
4 Dec 85

/Station commentary: "The Hanoi Vietnamese Are Still Trying to Dupe Others"

/Text/ Recently, during a meeting with the visiting Indian prime minister in Hanoi, Vietnamese leaders sweetly said that Vietnam intends to pull all its troops from Cambodia by 1990 or even before that. Vietnam's accomplices have followed suit in clamoring about Vietnam's desire to withdraw its forces in this or that year. What is the truth?

Since 1982, the Hanoi Vietnamese enemy aggressors have been cheating and lying about their troop withdrawal. They have whimsically said they are going to pull out their troops on this or that day, with this or that number. In reality, the Vietnamese have never withdrawn a single soldier from Cambodia. They have not even made any plan to do so. On the contrary, they have been sending in reinforcements every year. We would like to give some examples to illustrate this.

In 1984, when the Vietnamese said they were withdrawing, for the third time, some of their troops from Cambodia, they sent in 49,400 reinforcement soldiers from Vietnam to Cambodia: 25,000 in the sixth dry season and 24,400 in the sixth rainy season. In 1985, the seventh dry season, another 60,000 were sent in and another 15,000 in the seventh rainy season, totaling 75,000 soldiers. In the eighth dry season in 1985-1986, during a period of 2 months--between the end of September and mid-November--the Vietnamese sent almost 30,000 reinforcement soldiers to Cambodia.

These are just a few examples. Before that, the Vietnamese had been constantly sending in reinforcements to Cambodia. In short, fresh troops have been sending in to Cambodia since 1979. Along with troop reinforcements, the Vietnamese have also been bringing in a lot of ammunition and a large number of tanks, artillery pieces, and weapons. All this shows that the Hanoi Vietnamese will not and are not ready to withdraw their troops from Cambodia. As for their propaganda about withdrawing on this or that date, it is just plain lies and tricks to serve their diplomatic maneuvers. The aims of the Vietnamese in trying to spread out propaganda on their troop withdrawal are, on the one hand, to lessen the international pressure, and reduce international condemnation; and on the other, to create confusion among international opinion on the

Cambodian issue and to divert international opinion from the UN resolutions which call for an immediate and unconditional withdrawal of Vietnamese forces from Cambodia. This is also to allow Vietnam to continue to station its troops in Cambodia, strengthen its position there, and occupy the country forever in accordance with Vietnam's ambition and expansionist and aggressive strategy in Southeast Asia.

However, despite all the propaganda, no one has been taken in by these tricks of the Vietnamese and their accomplices. The international community realizes that if it really wants to resolve the Cambodian issue politically and withdraw its troops from Cambodia, why does not Vietnam do so now? Why does it wait until 1990? Seven years have elapsed since the world has condemned Vietnam for its stubbornness in continuing its aggression and occupation of Cambodia. The world has been persistently demanding that Vietnam immediately and unconditionally withdraw its forces from Cambodia. The UN General Assembly, for its part, has adopted resolutions 7 times already with an increasing number of votes--114 in 1985--demanding that Vietnam withdraw all its forces from Cambodia.

Therefore, if Vietnam wants to withdraw from Cambodia, it should do so now and not wait until any other year. However, if Vietnam persists in spreading out propaganda about this troop withdrawal and imposes this or that condition, the world will not be taken in by this trick. People will continue to unite in pressuring Vietnam through every means and continue to provide assistance and support to the Cambodian people to wage a more vigorous war against the Vietnamese until forcing them to really withdraw from Cambodia immediately and unconditionally as prescribed /words indistinct/ UN resolutions.

/12228

CSO: 4212/31

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOICE OF KHMER VIEWS PAST REVOLUTIONS IN COUNTRY

BK040956 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 18 Nov 85

/"Political commentary": "Revolution in the Cambodian Society"/

/Text/ During the past 15 years--from 1970 to 1985--our country and people have been drifting in the flames of wars which brought them uncountable disasters and most agonizing misery due to the contention between two ideologies--communism and liberalism. At the same time, revolutions which were aimed at bringing changes to our society were launched successively. Such was the revolution of Lon Nol's Khmer republic from 1970 to 1975, the Khmer Rouge's revolution from 1975 to 1979, and Heng Samrin's revolution from 1979 to date.

In all these revolutions, we have noticed that each of the revolutionary leaders made the same assertion that their revolutions were to free the Cambodian society from feudalism, from the yoke of imperialism, and from regimes which were corrupt, oppressive, exploitative, and unjust, as well as which practiced favoritism and genocide. They said their revolutions were meant to reorganize a new Cambodian society which, according to them, would be a free, equal, independent, sovereign, peaceful, and happy society.

At the onset of the revolution, these revolutionary leaders always showed correct behavior and attention to the people. Thus, the innocent Cambodian people who craved for their rights, freedoms, and justice gave full support to the revolution to the point of sacrificing their lives and leaving their wives, children, parents, relatives, and friends in order to serve the revolutionary cause. But, finally, what did the Cambodian people get from the revolution? The answer is that they were disappointed and furious. This is because after seizing state power, these revolutionary leaders had not done any of the things they promised before. They did not pay attention to the woes, misery, and welfare of the citizens. They left the citizens alone without education, care, or comfort from the leaders. As for the leaders, they cared only for their fellow powerholders and colleagues. They practiced corruption, exploitation, oppression, and vicious activities. They thought only of their own personal interests and enjoyed themselves by having more money, cars, women, liquor, and all kinds of gambling. The leaders had thus isolated themselves from the people, who in turn lost confidence in their leaders, stopped supporting their leaders, and turned to support another revolution that they thought might help them build a new, better, and proper

life. Therefore, revolutionary wars took place one after another. With the blink of an eye, the flames of war razed the culture, civilization, traditions, customs, and everything that represents the Cambodian soul almost to the ground. Monasteries, temples, ancient temples, public buildings, schools, bridges, roads, railroads, forests, and everything was ruined and reduced to ashes. The Cambodian citizens experienced only misery and separation from families, relatives, and friends. All of this is the consequence of the revolutionary wars that took place in Cambodia during the past 15 years.

However, although the Cambodian citizens have been disappointed and deceived by revolutionary leaders many times, still they have not lost hope or allowed themselves to be oppressed and bullied by foreigners. If the Cambodian citizens lose hope due to their disappointment with the revolution, stand still, and stop all political activities, it would mean that we are destroying our own nation.

The present dispute in Cambodia is not a revolutionary dispute as in the past. It is a dispute caused by the occupation of Cambodia by the Vietnamese. The present Cambodian resistance movement is composed of groups of fighters to drive the Vietnamese troops out of Cambodia and to preserve our Cambodian lifestyle, traditions, customs, and civilization. Seeing that the Cambodian people's struggle is a correct and just struggle, the world's peoples have paid attention to it and have given full support to the CGDK. This is proved by their vote at the recent UN General Assembly approving a resolution calling for the restoration and preservation of Cambodia's independence, sovereignty, and territorial integrity, and the Cambodian citizens' right to self-determination, and for prevention of all countries in the world from interfering in Cambodia's internal affairs.

Simultaneously, the Cambodian citizens have a special mission in contribution to this struggle. They must show the Vietnamese that we do not want them to occupy Cambodia under whatever pretext. We should not serve or have any contact with the Vietnamese. We must do everything possible to make them face difficulties mentally and materially. When we succeed in making the Vietnamese leave our country, Cambodia will again be prosperous and our citizens will be able to live happily as we did when our country was in peace.

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CSO: 4212/31

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

CLANDESTINE RADIOS REPORT BATTLEFIELD ACTIVITIES

Battle Reports 29 Nov-5 Dec

BK060749 /Editorial Report/ (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian /VONADK/ broadcasts the following battle reports for the reporting period 29 November-5 December:

VONADK at 2315 GMT on 29 November reports that DK forces killed and wounded 205 Vietnamese soldiers in actions launched on the Kompong Thom, Kompong Chhnang, North Sisophon, Siem Reap, Samlot, Moung-Pursat, Mondolkiri, west Battambang, and south Sisophon battlefields from 8 to 27 November. They destroyed 27 assorted weapons, 1 commune office, 18 barracks, 260 meters of railroad track, 2 trucks, and some war materiel. They also seized some weapons, ammunition, and war materiel.

The radio at 2315 GMT on 30 November says that DK troops attacked and captured a town in Chamka Leu District, Kompong Cham Province, on 28 November. They attacked and dispersed the Vietnamese commune administrations in Thpong District, Kompong Speu Province, on 20 and 28 November and in Baray District, Kompong Thom Province, on 26 November. DK combatants launched other operations against Vietnamese troops on the Kompong Thom, Kompong Cham, national Route 4, Koh Kong Leu, northwest of Phnom Penh, Pailin, and Kompong Speu battlefields between 21 and 27 November, killing 64 Vietnamese soldiers and wounding 62 others. DK troops destroyed 11 weapons, 5 commune office buildings, 1 trade warehouse, 1 rice depot, 1 truck, 10 barracks, and some war materiel. They seized some ammunition and war materiel and liberated seven villages in Kompong Cham Province.

At 2315 GMT on 1 December VONADK states that DK forces attacked and disrupted Vietnamese administration networks in Kompong Pring on the north Battambang battlefield on 27 November, in (Chongkal) commune on the north Sisophon battlefield on 17 November, and in Samraong commune on the south Sisophon battlefield on 26 November. DK combatants attacked a Vietnamese battalion moving from (Sre Khvav) in Kralanh District, Siem Reap Province, on 26 November. They also conducted various other activities against Vietnamese soldiers on the Siem Reap, Koh Kong Leu, Pailin, south Sisophon, and Leach battlefields from 12 to 29 November, killing and wounding 90 Vietnamese soldiers, destroying 9 guns, 2 commune office buildings, 1 truck, and some war materiel, and seizing some guns, ammunition, and war materiel.



VONADK at 2315 GMT on 2 December reports that DK forces attacked and disrupted Vietnamese administrative networks in a commune in Baray District, Kompong Thom Province, on 28 November, liberated two villages on the south Sisophon battlefield on 27 November, ambushed a Vietnamese platoon on 27 November and another platoon on 28 November on the Samlot battlefield. DK combatants conducted various other activities against Vietnamese soldiers on the Leach, Moug-Pursat, Chhep, Samlot, Kompong Som, Siem Reap, and north Sisophon battlefields from 20 to 30 November, killing and wounding 114 Vietnamese soldiers, destroying 15 guns, 1 commune office, 1 material warehouse, 2 trucks, and some war materiel and seizing some ammunition and war materiel.

According to the radio in the same timeslot broadcast on 3 December, DK forces attacked and disrupted Vietnamese administrative networks in (Phleav) and Boeng Lvea communes on the Kompong Thom battlefield on 12 November and 1 December. They cut 12 portions of railroad track in the area between Svay Cheat and Ta Pde on the south Battambang battlefield on 28 and 30 November. They also conducted various other activities against Vietnamese soldiers on the Kompong Thom, Pailin, and Siem Ta battlefields from 18 November to 1 December, killing and wounding 112 Vietnamese soldiers, destroying 6 guns, 1 war materiel depot, 2 commune office buildings, 2 barracks, and 250 meters of railroad track, seizing 3 guns, and liberating 2 villages on the Kompong Thom battlefield.

VONADK at 2315 GMT on 4 December notes that DK troops attacked and disrupted Vietnamese administrative networks along the Sangke River, Sangke District, Battambang Province, on 29 November. They ambushed a Vietnamese company on the Pailin battlefield on 2 December, attacked a Vietnamese boat in Chikreng District, Siem Reap Province, on 29 November, and a Vietnamese company position in Samraong Tong District, Kompong Speu Province, on 29 November. On 27 and 28 November, DK troops killed and wounded 75 Vietnamese enemy soldiers on the Siem Reap and Pailin battlefields, destroyed 14 assorted guns, 2 boats, 8 military barracks, 1 company position, and a quantity of military materiel, and seized some ammunition and military materiel.

According to VONADK at 2315 GMT on 5 December, DK troops attacked and disrupted Vietnamese administrative networks in Ta Prok and Chamka Andong communes, Baray District, Kompong Thom Province, on 30 November. DK forces attacked and disrupted Vietnamese administrative networks in (Chan Dek) commune, Baray District, Kompong Thom Province, on 3 December. They attacked and cut the Vietnamese supply line in Sot Nikom District, Siem Reap Province, on 25 November and ambushed a Vietnamese platoon on the Samlot battlefield on 2 December. From 19 November to 3 December, DK troops killed and wounded 179 Vietnamese enemy soldiers on the Pailin, Koh Kong Leu, Leach, Kompong Thom, Preah Vihear, Samlot, and Siem Reap battlefields and destroyed 3 guns, 3 trucks, 2 tractors, 3 commune office buildings, and some military materiel. DK combatants seized 20 assorted guns and some ammunition and military materiel and liberated 13 villages on the Kompong Thom battlefield.

### Two Villages 'Liberated'

BK070854 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 3 Dec 85

/Report from various battlefields/

/Excerpt/ Kompong Thom battlefield: On 1 December, we attacked and destroyed the Vietnamese Administrative Network in Boeng Lvea commune in Santuk District. We killed one and wounded two Vietnamese enemy soldiers; destroyed a commune office and some war materiel; seized two AK's, an AR-15, and some war materiel; and liberated two villages: Boeng Lvea and Sre Ta Taol.

### Four Villages 'Liberated'

BK100212 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 9 Dec 85

/Report from various battlefields/

/Excerpt/ Battambang battlefield: On 6 December, we attacked and dismantled Vietnamese state authorities in Kantoe commune, Sangke District. After a 15-minute battle, we completely liberated this area. We killed one and wounded another Vietnamese soldier and liberated four villages: Sasar Puok, Chamka Ong, Kantoe, and Thla Kchang.

### Attacks in Battambang

BK071215 (Clandestine) Voice of the Khmer in Cambodian 1300 GMT 4 Dec 85

/Text/ The Voice of the Khmer Radio has just received confirmation by impartial sources of the attack activities of the resistance groups against Vietnamese troops inside the country in October as follows:

The CGDK forces harassed Vietnamese troops stationed in Kompong Leng village, Battambang Province, killing one and wounding another Vietnamese soldier /no date as received/. On the following day, the CGDK forces attacked Vietnamese troops near Li Sang bridge in Battambang Province, killing one and wounding two. Three days later, they harassed Vietnamese troops stationed in the area of Phnum Dong, Battambang Province, killing one and wounding two. On the same day, they attacked a Vietnamese position at Sala Krau village, Battambang Province, killing one and wounding three Vietnamese soldiers and destroying a military barrack. On the following day, they harassed Vietnamese troops at Phnum Dong and Salau Krau, Battambang Province, killing two and wounding two. Two days later, they ambushed Vietnamese troops at Salau Krau village, Battambang Province, killing two and wounding two Vietnamese soldiers and seizing a rocket launcher.

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CSO: 4212/31

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK: KHIEU SAMPHAN'S GREETINGS ON THAI NATIONAL DAY

BK071315 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 4 Dec 85

/2 December greetings message from Khieu Samphan, vice president of Democratic  
Kampuchea in charge of foreign affairs, to Sitthi Sawetsila, foreign minister  
of the Kingdom of Thailand/

/Text/ To His Excellency Sitthi Sawetsila, foreign minister of the Kingdom  
of Thailand, Bangkok:

Excellency, on the auspicious occasion of the birthday anniversary of His  
Majesty Phumiphon Adunyadet which is the National Day of the Kingdom of  
Thailand, I have the honor and I am very elated to present to you my warmest  
greetings in the name of the Cambodian people, the CGDK, and in my own name.  
Through Your Excellency and in the name of the Cambodian people and the CGDK,  
I would like to bow and present my best greetings to his majesty the king.  
May his majesty the king enjoy the best of health and longevity. May the  
royal family enjoy happiness. May the Kingdom of Thailand and the fraternal  
Thai people, under the cool shadow of the throne, enjoy /word indistinct/ and  
happiness. May Your Excellency enjoy the best of health and happiness and may  
you always score victory in your high mission.

Taking this good opportunity, I would like to express once again to you and  
through you to the royal Government of Thailand and the Thai people my pro-  
found gratitude for their steady, wholehearted, and precious assistance and  
support for the just cause of the struggle of the Cambodian people and the  
CGDK for the survival of the Cambodian nation and so that Cambodia remains an  
independent, peaceful, neutral, and nonaligned country. In particular, the  
Cambodian people and the CGDK always remember all generous aid of his majesty  
the king and the royal Government of Thailand to the Cambodian refugees who  
have been forced to flee from the massacre by the Vietnamese aggressor troops  
to take temporary refuge in Thailand.

I am confident that the longlasting bonds of traditional friendship and coopera-  
tion between our two neighboring countries and peoples in the common interest  
for peace and independence will develop further for the interest of peace,  
stability, and security in Southeast Asia and in the world.

Please, Your Excellency, accept my highest considerations.

/Dated/ Democratic Kampuchea, 2 December 1985

/Signed/ Khieu Samphan

Vice president of Democratic Kampuchea in charge of foreign affairs

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PEOPLE'S REPUBLIC OF KAMPUCHEA

ARMY PAPER EDITORIAL MARKS LAO NATIONAL DAY

BK051115 Phnom Penh Domestic Service in Cambodian 1200 GMT 2 Dec 85

/Kangtoap Padevoat editorial: "Ten Years on the Brilliant Path of Struggle with Success"/

/Text/ The 10th anniversary of the historic National Day of the fraternal Lao people falls on 2 December 1985. Under the clear-sighted leadership of the LPRP, during this short period, the valiant and courageous Lao people have deployed efforts to brilliantly struggle for the cause of defending and building the fatherland with every success. These exploits of the Lao nation mark a noble, glorious, and precious step toward progress based on a firm and independent foundation--this is the LPDR regime.

The entire Cambodian Army and people vigorously welcome this beautiful National Day of the Lao people with happiness and longlasting memory. Ten years have passed. This represents a very short period in the history of the Lao people. The fighting spirit of the Lao Revolutionary Army and people has opened a new golden page in their history. This is the era of independence, freedom, and genuine socialism. The face of the fatherland quickly changes from day to day. The prestige of the LPDR is rising daily in the international arena. Ten years of exemplary, resolute, and persistent struggle to defend and build the Lao fatherland have paid off with remarkable results. The firmness of the revolution has advanced the Lao fatherland toward achieving all revolutionary tasks throughout the country. Social structures have been strengthened and expanded. During decades of oppression and repression by Japanese fascists, French colonialists, and U.S. imperialists and their Lao lackeys, Laos almost disappeared from world history.

With correct leadership from the party, militant solidarity among the three peoples of Laos, Cambodia, and Vietnam, and with full support of decent people the world over, the Lao people rose up to struggle and smash old and new colonialists. Recently, they seriously dealt a shameful blow to the U.S. imperialists and their lackeys by chasing them out of Laos and definitively winning independence on 2 December 1975. From then on, the strategic task of defending and building the country has been strengthened; security has been ensured. This has created conditions for building the fatherland. Important sectors, such as agriculture, education, public health, and industry, have been restored and are developing quickly from cities to rural areas. People's

living standards have been improved and public wellbeing has been ensured. The entire people have been freed from the danger of illiteracy and misery. They all have firmer confidence in the LPDR regime. More importantly, they have sincerely and voluntarily contributed to the task of defending and building the country through stages toward socialism.

Currently, the enemies are pursuing their activities to destroy the people's way of life aimed at hindering every effort to build the fatherland. In mid-1984, the Beijing Chinese expansionist-hegemonists colluded with the U.S. imperialists and incited ultrarightist leaders in Bangkok to send many Thai mercenaries to shamelessly occupy three Lao villages. Despite all kinds of provocation and open aggression, they have been appropriately punished by the courageous Lao Army and people who have firmly defended their beloved fatherland.

During almost 7 years of Cambodia's revival from the Pol Pot genocidal regime, the Lao people have been providing moral and material assistance and support to the Cambodian people. This has improved the Cambodian people's living standards daily and created conditions favorable for the Cambodian revolution to move forward with firm steps in every field. Under the clear-sighted leadership of the LPRP, the entire Lao people have /word indistinct/ through innumerable obstacles with good spirit and have scored brilliant victories. The LPDR is scoring victory daily in every field. During the past 10 years, the cause of defending and building the fatherland of the Lao people has become a great force of the three revolutions in Indochina and in the world. The militant solidarity of the Lao people with socialist countries the world over is being strengthened, particularly the immortal militant solidarity with the Cambodian and Vietnamese peoples which is being increased and is the norm for progress of the Lao and the three Indochinese peoples.

The entire Cambodian Army and people are very proud of the Lao historic National Day /passage indistinct/ of the fraternal LPDR. The Cambodian Revolutionary Army expresses sentiments of happiness, glory, and fraternity with everlasting gratitude for the Lao people's sincere spirit for our Cambodian people. The militant solidarity between our two peoples, particularly the militant solidarity among the three armies and peoples--Cambodia, Vietnam, and Laos--is being closely developed for the better. Our enemies, with the backing of the Beijing Chinese expansionist-hegemonists in collusion with the U.S. imperialists and ultrarightist circles in Bangkok and their handful of lackeys on Thai territory, are on the decline and will certainly face defeat in the end. The entire Cambodian Revolutionary Army firmly believes that as long as the Laos Revolutionary Army and people continue to struggle on under the bright light of Marxism-Leninism and implement /anuwat/ the just constitution of the LPDR, the glorious and prosperous Lao fatherland will certainly win.

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CSO: 4212/32

PEOPLE'S REPUBLIC OF KAMPUCHEA

BOU THANG MESSAGE ON GDR COUNTERPART'S DEATH

BK080614 Phnom Penh Domestic Service in Cambodian 1200 GMT 5 Dec 85

/Text of condolence message from Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense, to the Socialist Unity Party of Germany Central Committee and the GDR Defense Ministry on the death of GDR Defense Minister Gen Heinz Hoffmann; date not given/

/Text I am very upset to learn that Comrade Gen Heinz Hoffmann, Politburo member of the Socialist Unity Party of Germany /SED Central Committee and defense minister of the GDR, passed away on 2 December 1985. On behalf of the party, government, people, and People's Revolutionary Armed Forces of Cambodia, I would like to extend our most heartfelt condolences to the SED Central Committee and the Defense Ministry of the GDR as well as to the entire National People's Army of the GDR.

Comrade Heinz Hoffmann was an outstanding son of Germany and a great leader of the National People's Army of the GDR. He was a courageous communist fighter working tirelessly to carry out his noble task in contribution to the consolidation of the Warsaw Pact and in defense of socialism and work peace. The death of Comrade Gen "Heinz Hoffmann was a great loss not only to the party, state, people, and National People's Army of the GDR, but also to the party, state, people, and People's Revolutionary Armed Forces of Cambodia as a whole. We would like to express our condolences to and to share the grief of the party, government, people, and National People's Army of the GDR and the bereft family.

CSO: 4212/32

PEOPLE'S REPUBLIC OF KAMPUCHEA

BOU THANG MOURNS GDR COUNTERPART'S DEATH AT EMBASSY

BK061056 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Dec 85

/Text/ At 0800 on 6 December, a delegation of the PRK party and state led by Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers and front National Council, and national defense minister, laid a wreath and paid his respects to the memory of Comrade Gen Heinz Hoffmann, member of the Socialist Unity Party of Germany Central Committee Politburo and national defense minister of the GDR, at the GDR Embassy in the PRK.

Also present in the delegation were Comrade Kim Yin, member of the party Central Committee and director general of the radio station Voice of the Kampuchean People; Comrade Thong Khon, alternate member of the party Central Committee, deputy secretary of the provisional party committee of Phnom Penh, and chairman of Phnom Penh's People's Revolutionary Committee; Comrade Say Siphon, alternate member of the party Central Committee and vice chairman of the Kampuchean Federation of Trade Unions; Comrade Chan Ven, general secretary of the Council of State; Comrade Men Chhan, member of the Council of State and permanent vice chairman of the front National Council; Comrade Nim Thot, vice chairman of the Central Propaganda and Education Commission; and many other comrade leaders of the state institutions and mass organizations.

The delegation signed the condolences book with the following message:

The entire Cambodian party, government, army, and people would like to express their condolences and their deep sorrow on the death of Comrade Gen Heinz Hoffmann, brilliant son of the party and state of socialist Germany, active personality, and valiant and courageous fighter of the international communist and workers movement whose life was sacrificed for peace and socialism in the world. The noble ideals and achievements of Comrade Heinz Hoffmann are engraved in the hearts of Cambodian communists and communists throughout the world. The loss of Comrade Heinz Hoffmann is a great loss of the entire party, government, army, and people of the GDR and it is also a regrettable loss for the entire Cambodian party, government, army, and people.

With the entire GDR party, government, army, and people, we would like to present our condolences to the family of the deceased and pay our respects to the memory of Comrade Heinz Hoffmann with our deepest sorrow and regret.

/12228

CSO: 4212/32



PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SIM ATTENDS STUDENT DOCTORS' GRADUATION DAY

BK071359 Phnom Penh Domestic Service in Cambodian 0430 GMT 5 Dec 85

/Text/ On 4 December, at the faculty of medicine, pharmacy, and dentistry, the faculty's committee organized a ceremony to conclude the seventh doctor's course for 53 medical students.

Among those attending the ceremony were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and the KUFNCD National Council; Comrade Chheng Phon, alternate member of the party Central Committee and information and culture minister; the comrade deputy minister and cadres of various services of the Health Ministry; and many students of the faculty.

In the report of the faculty's committee, Comrade My Samedi said that since the 7 January 1979 historic Liberation Day, the faculty has trained 7 batches of 233 doctors, 6 batches of 163 pharmacists, 3 batches of 279 assistant doctors, and 2 batches of 29 dentists. In the seventh batch of doctors, 53 students successfully completed their studies with 6 receiving good mention and the other 47 fair.

On this occasion, Comrade Chea Sim outlined the allround success scored during the past 7 years under the KPRP leadership. The comrade chairman of the National Assembly highly appreciated the development of the public health sector which has greatly and effectively contributed to taking care of our people's health. The comrade welcomed the efforts of cadres, personnel, and workers of the health service in implementing tasks assigned by the party and state. He also praised the efforts of the faculty's committee and professors in training doctors, pharmacists, and dentists to serve the needs of our people. The comrade stressed that after graduation the students will become doctors with good techniques in preventing and treating diseases. In this task, they should do that best to use their acquired skills to be worthy of being socialist doctors in accordance with the aims of the fifth Party Congress.

/12228

CSO: 4212/32

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SOTH ADDRESSES MEETING ON GOODS INSPECTION

BK071349 Phnom Penh Domestic Service in Cambodian 0430 GMT 5 Dec 85

/Text/ On the morning of 4 December at the former royal palace, Comrade Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, planning minister, and chairman of the Central Inspection Commission, attended a meeting held to sum up the results of the third inspection of goods and materiel throughout the country at 0000 on 1 July 1985 and to open a new campaign on goods inspection at 0000 on 1 January 1985 /year as heard/. Also attending the meeting were comrade ministers deputy ministers, directors general, deputy directors general, cadres from various central ministries and services, and delegates from various provinces and municipalities.

In his opening speech, Comrade Chea Soth pointed out that the past inspection campaign showed another victory and the development in the field of conscience of our cadres, personnel, and workers who are in charge of managing the economy. The comrade planning minister stressed that the inspection campaign has raised the knowledge of our cadres, staff, and workers in administration, mastership spirit, honesty, and thrift. The comrade also stressed that the inspection campaign is a tool to assist leaders in all state institutions to grasp the quantity and the value of the goods in their possession and the true situation of these goods and materiel so as to take timely measures and avoid inactivity. The state also wants to grasp the whole situation in order to make plans for the best use of these goods and to plan appropriate and necessary imports. Comrade Chea Soth finally called on members of the audience to strive to discuss in detail the issue of goods inspection to draw good experience for the successful implementation of the fourth campaign at 0000 on 1 January 1986.

/12228

CSO: 4212/32

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

NATIONAL DAY CONGRATULATORY MESSAGE--On the 10th anniversary of the LPDR National Day Comrade Chea Sim, chairman of the KUFNCD National Council, sent a congratulatory message to Comrade Souphanouvong, chairman of the Lao Front for National Construction. The message says that the 2 December 1975 victory of the Lao people, the 17 April 1975 victory of the Cambodian people, and the 30 April 1975 victory of the Vietnamese people are precious achievements of the militant solidarity of the three fraternal peoples in Indochina and a determining factor for every victory in each country in the struggle against common enemies for national independence and freedom. Under the astute leadership of the leadership of the LPRP and the Lao Front for National Construction, the Lao people have held aloft the banner of militant solidarity and not only defeated every ambition of the U.S. imperialists and the Chinese expansionist-hegemonists but also built a Lao society that is independent, peaceful, and democratic with progress and firmly advancing toward socialism. We are convinced that the fraternal Lao people will brave every difficulty to score new and greater victories in the future. May the bonds of solidarity, friendship, and cooperation between fraternal Laos and Cambodia remain forever. /Text/  
/Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Dec 85 BK/ 12228

HOMAGE PAID LATE GDR MINISTER--On the morning of 6 December, a delegation from the National Defense Ministry led by Comrade Meas Kroch, deputy defense minister, and a delegation from the Foreign Ministry led by Comrade Kong Korm, first deputy foreign minister of the PRK, went to lay wreaths and pay homage to the late Comrade Heinz Hoffmann, member of the SED /Socialist Unity party of Germany/ Central Committee and national defense minister of the GDR, at the GDR Embassy to the PRK. On this occasion, the delegations also signed a condolence book expressing sorrow over the loss of Comrade Heinz Hoffmann, an outstanding combatant of the SED who tirelessly fought for peace and socialism. /Text/  
/Phnom Penh Domestic Service in Cambodian 1100 GMT 6 Dec 85 BK/ 12228

EMBASSY DELEGATIONS VISIT GDR EMBASSY--On the afternoon of 6 December, delegations from various embassies, including the comrade ambassadors extraordinary and plenipotentiary of the SRV, the LPDR, the USSR, the People's Republic of Bulgaria, the Hungarian People's Republic, the CSSR, the Polish People's Republic, and the Republic of Cuba, and his excellency the charge d'affaires of the Indian Embassy to the PRK, laid wreaths and paid homage to the late Comrade Heinz Hoffmann, member of the SED /Socialist Unity Party of Germany/ Central Committee Political Bureau and national defense minister of the GDR,

at the GDR Embassy to the PRK. The delegations also signed a condolence book expressing great sorrow over the death of Comrade Heinz Hoffmann, an outstanding fighter of the GDR who fought tirelessly for peace and socialism. /Text/  
/Phnom Penh Domestic Service in Cambodian 1200 GMT 6 Dec 85 BK/ 12228

CONDOLENCE MESSAGE ON HURRICANE DAMAGE--Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State, recently sent a condolence message to Comrade Fidel Castro, first secretary of the Cuban Communist Party Central Committee and chairman of the Cuban Council of State and Council of Ministers, over disasters caused by hurricanes and flooding in Cuba. The message, among other things, says: We have received with sadness news about the serious disasters caused by recent hurricanes and floods in your country which killed many people and destroyed many houses, schools, crops, domestic animals, telecommunication lines, water distribution systems, and power network. On behalf of the Cambodian Government and people, we express great sorrow over these disasters. Please accept our sentiments of solidarity and our sympathy with the fraternal Cuban Government and people who are victims. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Dec 85 BK/ 12228

SOM KIMSUOR ATTENDS LAO TALK--On the afternoon of 30 November, the office of the KUFNCD National Council organized a talk to mark the 10th anniversary of Lao National Day. Attending the talk were Comrade Som Kimsuor, member of the KPRP Central Committee and director general of PRACHEACHON and vice chairman of the PRK-LPRP Friendship Association; Comrade Chen Snguon, deputy justice minister and general secretary of the Cambodia-Laos Friendship Association; and many other cadres. On this occasion, Comrade Chen Snguon highly appreciated the victories scored by the Lao revolution during the past 10 years. The comrade added that Cambodia and Laos have a common fighting tradition of successive struggles through thick and thin in opposing French colonialism until definitively liberating the countries and nations. This fine case makes the 2 December National Day one which raises even higher and strengthens further the friendship and solidarity between the two parties and peoples. Replying, Comrade Pheli Khoulaleuk, ambassador extraordinary and plenipotentiary of the LPDR to the PRK, pointed out that under the leadership of the LPRP, the Lao people have valiantly and resolutely struggled for 30 years. The victories of the Lao people and party cannot be separated from the cooperation, solidarity, and common struggle among the three Indochinese countries with the Soviet Union as the main pillar. The comrade denounced the nuclear arms race and Star Wars created by imperialism. This talk went on in a happy and very cordial atmosphere. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Dec 85 BK/ 12228

DELEGATION VISITS SALT WORKERS--Recently, a delegation from the Home and Foreign Trade Ministry led by Comrade Chan Phin, member of the party Central Committee, chairman of the Central Food Purchasing Commission, and trade minister, accompanied by Comrade Som Chen, deputy secretary of the Kampot Province's Party Committee and chairman of the province's People's Revolutionary Committee; Vietnamese experts; and comrades chairmen and vice chairmen of mass organizations and the provincial women's and youth associations, visited workers at the salt marshes in the province with profound sentiments of revolutionary fraternity. On this occasion, Comrade Chan Phin conveyed the sentiments

of the party and state to workers and people in the entire province. The comrade highly appreciated the achievements of all workers in production, yield, and various organizational structures which have greatly developed. At the same time, the comrade pointed out and stressed to our workers the character of the proletarian working class and compared the role of workers in the past and at present. The comrade particularly called on all workers to transform their anger with the Pol Pot genocidal regime into a sharp will to vigorously advance the production of good quality salt. In particular, they should strengthen internal bonds of solidarity and /word indistinct/ to successfully restore the state production of salt and fulfill the 1985-90 plan of our party and state. /Text/ /Phnom Penh Domestic Service in Cambodian 1100 GMT 4 Dec 85 BK/ 12228

ARMED FORCES PRAISED--Recently, the armed force in Svay Rieng Province, with happy feelings worthy of children of the glorious Angkor fatherland, went out to sweep up and destroy enemies. Comrade Heng Heng Samkai, member of the KPRP Central Committee and secretary of the Svay Rieng provincial Party Committee, pointed out that the great victories achieved by our Cambodian revolution in the past for the cause of defending and building the fatherland. The comrade also pointed out the aggressive nature of the imperialists and the Beijing Chinese and Thai expansionists and hegemonists. He also praised the fighting spirit of 16-C unit, which is due to go out to destroy and sweep up all kinds of reactionary Cambodians. The comrade called on cadres and combatants always to adhere to the valiant and courageous fighting tradition and good behavior of the army. They should respect and love the people wholeheartedly and strive to expand and strengthen the national and international socialist solidarity. The PRK-SRV bonds of solidarity in particular are important to ensure the successful implementation of every task. Afterward, Comrade (Prak Am), commanding officer of the unit which is due to carry out a new mission, pledged to temper the unit to act as a proletarian dictatorial tool of the party and at the same time make all kinds of sacrifices for the cause of firmly defending the fatherland, people, and gains. /Text/ /Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Dec 85 BK/ 12228

CULTURE MINISTER ATTENDS ARTS FESTIVAL--On 30 November, at the theater hall in Kandal Province the provincial information and culture service held a professional arts festival to welcome the success of the party's Fifth Congress. Attending the festival were the province's professional art troupes from Khsach Kandal and Muk Kampul Districts and from Prek Phneou and Vihear Luong communes. In his opening speech, Comrade Yem Yon, chairman of the provincial People's Revolutionary Committee, pointed out the allround development in the province during the past 7 years under the KPRP leadership. The comrade stressed that during the past almost 7 years the information and culture sector, which has the task of contributing to building the people's new spirit and awareness, has also been developed and strengthened. The comrade chairman of the province's People's Revolutionary Committee also outlined the objectives of the arts festival as being not only to raise the quality of the technique and contents of the shows but also to demonstrate the progress of professional and mass art performances. Comrade Chheng Phon, alternate member of the party Central Committee and information and culture minister, pointed out the present and future role and task of artists. The comrade minister stressed that professional and mass art troupes should strive to advance and develop further the cultural and artistic sector in accordance with the goal set by the party's Fifth Congress. /Text/ /Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Dec 85 BK/ 12228

## MILITARY AFFAIRS AND PUBLIC SECURITY

### HAIPHONG PORT SECURITY UNIT SMASHES SPY RINGS

BK091445 Hanoi QUAN DOI NHAN DAN in Vietnamese 9 Nov 85 p 1

[VNA report]

[Text] The public security unit attached to the Haiphong port has step by step streamlined its organizational structure and worked out operational plans in conformity with the need to reorganize production at the port. Despite the fact that its force has been reduced by 50 percent compared with the past and that it has, at the same time, been compelled to carry out many tasks, by paying attention to improving the professional skills of its cadres and combatants and by coordinating with the port self-defense force, however, the unit is able to carry out satisfactorily all the plans for the preservation of security and protection of property at the port. Together with pilots, port officials, and members of the force responsible for inspection and shipping procedures, the public security unit at the Haiphong port has helped escort and provide safety for thousands of foreign vessels entering and leaving the port. It has discovered a number of bad elements mixing among foreign sailors to carry out intelligence activities, establish contacts with port personnel at the grass-roots level, incite psychological warfare, and circulate [words indistinct] decadent cultural materials. The public security unit at the port has also served as adviser to the party committee and director of the port by helping them firmly grasp the ideological status and quality of dock workers so that the classification of these workers can satisfactorily be allocated and suitable managerial and educational measures for each of them can be adopted, thereby making it possible for various units to improve their production organization.

Thanks to the contributions of the public security unit, since early this year the number of unqualified dock workers has decreased by 10 percent compared with the past and the number of cases involving violation of socialist property has decreased by 75 percent compared with last year. Meanwhile, remarkable changes have been made in the task of maintaining security and order at the port.

The Haiphong port public security unit recently received the Military Exploit Order, First Class, awarded by the Council of State for its achievements in ensuring security and order and safeguarding socialist property.

All units of the public security service in Hoang Lien Son Province have launched a campaign to motivate the masses to join them in firmly maintaining political security and social order and safety.

Together with the local administrations, public security forces in the border districts of the province have consolidated the people's security networks, especially in important areas. Recently, together with the local administration, they conducted inspection and seized large quantities of illegal weapons. All security teams have coordinated closely with various army units and border defense posts in firmly grasping the situation and devising defense and combat plans. Over the past 9 months, they have captured nearly 20 enemy scouts and commandos, and repelled many landgrabbing attacks by enemy troops, thus firmly maintaining security in the border areas. By coordinating with public security units of the railway sector in market management, public security forces in Van Yen District and Yen Bai City have arrested many cases involving smuggling, thus confiscating and turning over to the state hundreds of kilograms of [words indistinct] and cinnamomum essential oil and tens of cubic meters of precious timber. Meanwhile, security teams in the highland villages of Van Ban, Mu Cang Chai, and Than Uyen districts have helped educate and reform opium addicts.

Together with the trade and finance sectors and various market management boards, the Hoang Lien Son provincial public security service has just launched a new emulation drive to adopt effective measures in market management and strictly ensure price discipline.

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CSO: 4209/155



## MILITARY AFFAIRS AND PUBLIC SECURITY

### BRIEFS

DESTRUCTION OF RAILWAY PROPERTY--Equipment of the railway sector, including rails, railway stations, and rail cars, are being seriously damaged by evil elements, and this is adversely affecting the safety of rail travel on many routes. Lumber dealers and lumber workers have damaged doors, seats, and rest rooms on passenger trains on the Hanoi-Lang Son and Yen Vien-Uong Bi routes. On many stretches of the Yen Vien-Uong Bi route, crushed rock (4 X 5) of the rail bed was dug up, exposing red earth. Worst was the stretch of track from Bac Giang to Sen Ho. They remove the rock to dig out coal or extract it and take it away to use it for making lime. The lighting network at the entrances to Bao Son, Lan Mau, Cam Ly, Chi Linh, Dong Trieu, Yen Duong, and Mao Khe stations have been seriously damaged--light bulbs burst, cables cut, oil tanks stolen, signal lights destroyed--causing hazards for freight trains and passenger trains running at night. Request that localities traversed by railroad tracks protect that equipment in contribution to the safety of railway travel. Those destroying equipment of the railroad must be caught and duly punished. [Text] [Hanoi LAO DONG in Vietnamese No 30 19 Sep 85 p 7] 9830

CSO: 4209/45



INTERNATIONAL RELATIONS, TRADE, AND AID

HOANG TUNG RECEIVES FRENCH PRINTING SPECIALISTS

OW101622 Hanoi VNA in English 1516 GMT 10 Dec 85

[Text] Hanoi, 10 Dec (VNA)--Hoang Tung, secretary of the Communist Party of Vietnam Central Committee, on 9 December cordially received in Hanoi the visiting delegation of the French Federation of Printing Workers (FFTL) headed by its Deputy Secretary General Rene Bouyries.

During their stay here, the FFTL delegation and French printing specialists who had come to help VIETNAM NEWS AGENCY build a printing workshop in Ho Chi Minh City visited the Ho Chi Minh Mausoleum, and the house and office of the late president. It toured a number of economic and cultural establishments in Hanoi, Ho Chi Minh City, Haiphong, Quang Ninh Provinces and the Vung Tau-con Dao special sector.

They attended a ceremony held in Ho Chi Minh City to confer Vietnam's friendship order on the FFTL and Roger Dedam, head of the French printing specialists' group, and the friendship medal on five French specialists for their devoted assistance to Vietnam.

/9274

CSO: 4200/376

INTERNATIONAL RELATIONS, TRADE, AND AID

JAPANESE MACHINERY SHOW OPENS IN HO CHI MINH CITY

OW101628 Hanoi VNA in English 1510 GMT 10 Dec 85

[Text] Hanoi, 10 Dec (VNA)--An exhibition of Japanese machines was inaugurated in Ho Chi Minh City this morning.

The exhibition, the first by Japan in the city, is co-sponsored by the Japan-Vietnam Trade Association and the Import and Export Company (IMEXCO) of Ho Chi Minh City.

On display at the ten-day exhibition are more than 400 (four hundred) articles of 13 companies representing for more than 200 Japanese producers. The exhibits include farming, industrial machines, forestry machines, machines used in the food processing industry, in transport and communications, aquatic products service, culture and information, and other commodities.

Present at the inauguration ceremony, on the Vietnamese side were Le Quang Chanh, vice chairman of Ho Chi Minh City's People's Committee; Vu Hac Bong, director of foreign affairs service of the city; Nguyen Van Duc, IMEXCO deputy director; and others.

On the Japanese side were Koichi Tsutsumi, Japanese ambassador extraordinary and plenipotentiary to Vietnam; Nakahara Mitsunobu, president of the Japan-Vietnam Trade Association and Iwai Doshire, vice president of the association.

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CSO: 4200/376

## INTERNATIONAL RELATIONS, TRADE, AND AID

### BRIEFS

DEPUTY FOREIGN MINISTER'S TALKS REPORTED--Hanoi, 6 Dec (MTI)--Hungarian Deputy Foreign Minister Miklos Barity held talks in the Lao People's Democratic Republic and the Socialist Republic of Vietnam on 4-6 December. Milos Barity and Deputy Foreign Ministers Soulivong Phrasittidet of Laos and Hoang Bich Son of Vietnam discussed current international issues, with particular regard to peace and security in the Southeast Asian region. The parties discussed bilateral relations and opportunities for improvement. Vo Nguyen Giap, Vietnamese deputy premier, and Foreign Minister Nguyen Co Thach met Miklos Barity in Hanoi. [Text] [Budapest MTI in English 1745 GMT 6 Dec 85 LD] /9274

VO NGUYEN GIAP ATTENDS SEMINAR--Hanoi, 8 Dec (VNA)--A seminar on electronics and informatics was jointly held here from 5-7 December under the sponsorship of the State Commission for Science and Technology and the General Department of Electronics and Informatics. Vice Chairman of the Council of Ministers Vo Nguyen Giap attended and spoke to the participants. This is the first seminar of its kind grouping scientists and researchers of different institutes, colleges and services throughout the country to evaluate the progress in this domain over the past five years and work out a program for the coming period. [Text] [Hanoi VNA in English 0703 GMT 8 Dec 85 OW] /9274

UN ENVOY REQUESTS MIDDLE EAST CONFERENCE--A Vietnamese representative at the United Nations has called for an international conference on the Middle East which he regarded as the most appropriate measures to solve regional problems. Bui Xuan Nhat, deputy head of the Vietnamese permanent mission in New York, spoke at the plenary session of the UN General Assembly on Thursday [5 December]. He condemned the United States and Israel for seeking separate solutions to the Middle East problems and attributed the growing tension in the region to the policy of aggression and expansion being pursued by Israel and its allies. [Text] [Hanoi International Service in English 1000 GMT 8 Dec 85 BK] /9274

CEMA PATENT OFFICES MEETING CLOSES--Hanoi, 9 Dec (VNA)--The 26th conference of the leaders of patent offices of the countries members of the Council for Mutual Economic Assistance closed here this afternoon. The delegates signed the minutes of the conference in addition to bilateral patent cooperative programs. Vietnam has signed bilateral agreements with the Soviet Union,

Gulgaria, Czechoslovakia, Cuba and the GDR. The agreements provide for increased cooperation between the signatories in the fields of inventions and innovations, exchange of experiences, personnel training, documentation and scientific research with a view to the examination and issuing of patents. [Text] [Hanoi VNA in English 0813 GMT 10 Dec 85 OW] /9]74

HUNGARIAN LEGAL COOPERATION AGREEMENT SIGNED--Hanoi, 10 Dec (VNA)--Vietnam and Hungary have signed an agreement on legal cooperation for 1986. The signing was made during a recent visit to Hungary by a delegation of the Vietnamese Ministry of Justice headed by Vice Minister Mrs Nguyen Thi Chon. During its stay in Hungary, the Vietnamese delegation was received by Imre Markoja, Hungarian minister of justice, and Gyula Borics, Hungarian secretary of state in charge of justice. It had working sessions with a delegation of the Hungarian Ministry of Justice. The two sides also informed each other of the implementation of their 1985 cooperation program. [Text] [Hanoi VNA in English 1506 GMT 10 Dec 85 OW] /9274

INDOCHINESE PHARMACEUTICAL CONFERENCE HELD--Hanoi, 10 Dec (VNA)--The first conference on pharmaceutical cooperation between Vietnam, Laos and Kampuchea has been convened recently in Ho Chi Minh City. The participants reviewed the implementation of the resolutions adopted at the two conferences of the public health ministers of the three countries. They also stressed on the necessity to promote the allround cooperation between the pharmaceutical industries of Vietnam, Laos, and Kampuchea, including the survey on, and exploitation of, pharmaceuticals, the pharmaceutical production, the training of cadres and scientific researches. [Text] [Hanoi VNA in English 0718 GMT 10 Dec 85 OW] /9274

CSO: 4200/376

## PARTY ACTIVITIES AND GOVERNMENT

### CPV ISSUES DIRECTIVE ON SU THAT PUBLISHING HOUSE

BK090733 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Dec 85

[Text] On 2 December the Secretariat of the party Central Committee issued a directive concerning the activities of the Su That Publishing House. After pointing out both the strong points and weaknesses of the publishing house in the past 40 years, the directive pointed out: The publishing house must review its activities and draw lessons from its experiences, especially those concerning its efforts to gain a complete understanding of the main task of publishing work, namely to associate the dissemination of Marxism-Leninism with clarifying the theoretical and practical bases of the party's lines and policies in the period ahead and various problems such as building the working people's system of collective mastery, carrying out the three revolutions, building a new managerial mechanism, implementing the socioeconomic plan for the 1986-1990 5-year period, and so forth.

The Su That Publishing House should continue to systematically publish and introduce the classic works of Marxism-Leninism; important party and state documents; writings by President Ho Chi Minh, especially collections of his complete or selected works; and important works by the comrade party leaders. The publishing house should also pay attention to publishing a number of other kinds of books and improving its organization and activities so as to make its editorial and publishing work more efficient.

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CSO: 4209/155

## PARTY ACTIVITIES AND GOVERNMENT

### CONTROL COMMISSION URGES INCREASED LOCAL INSPECTION

BK081001 Hanoi NHAN DAN in Vietnamese 30 Oct 85 p 3

[Text] To ensure the regular and close control by all the party committee echelons and sector authorities over the implementation of the party Central Committee's eighth plenum resolution, the Central Committee Control Department recently gave guidance to all party organizations and control committees at all levels and closely watch the situation and stay close to the grassroots level installations in order to assist the party committee echelons in intensifying party control over the implementation of a controlled leadership system. This is to promote the dynamism, creativity, and positiveness of large numbers of party members and people and simultaneously prevent and overcome the deviant and negative manifestations that might occur in the process of implementation.

The scope of control is specifically as follows:

The party committee echelons will control party organizations and members of the implementation of resolutions and decisions of the party and state and their own resolutions and decisions on prices, wages, and money. They must control their own resolutions and decisions and those of the lower party organizations in order to promptly detect errors, mistakes, and problems in the process of implementation so that timely and necessary corrective or supplemental steps can be taken to ensure the correct, scrupulous, and effective implementation of resolutions and decisions. Wherever unexpected problems (such as natural disasters--storms and flash floods) arise, the action program for overcoming immediate difficulties must be checked.

Basic party organizations will closely coordinate the control of the implementation of the eighth plenum resolution with the implementation of various directives and decisions on work statutes of the various party committees and chapters of primary units of different types. They will struggle to help these primary units advance toward building strong and firm basic party organizations.

The party organizations of state-owned economic units (trade companies, factories, and joint enterprises...) should mainly control the participation of party committees in formulating various projects for renovating production and business management procedures and the responsibility of directors, party

committee, organizations and members, and the masses for organizing and implementing projects. They should control the economic and technical measures to account for unit prices and wages, and other measures to reduce expenses, production costs, and circulation fees. They should also monitor compliance with the policies of purchase prices, retail and wholesale; the formation of economic integration and joint enterprises; the supply of materials to agriculture; the reorganization of production; the streamlining of the administrative machinery by resolving the problem of excess manpower; and particularly the assistance of unit commanders in mobilizing and developing the integrated force to effectively implement the eighth plenum resolution and various decisions. They must further control the sense of organization, discipline, and responsibility of unit commanders and management agencies in their compliance with the resolution and the various principles and systems for the management of finances, assets, goods, and money; in the maintenance of profitable production and business; and in the struggle to actively prevent and overcome negative manifestations.

With respect to party organizations in rural areas, along with continually controlling the increase of production, the intensive cultivation, and the awarding of product contracts, we should control the maintenance of business accounts, the implementation of policies, the fulfillment of obligations to and economic contracts with the state, the accounting of production costs, and the distribution, use, and management of assets in cooperatives and production collectives.

As for party organizations in city wards, we must control the organization of production and marketing, the implementation of pricing policies, the posting of prices and the selling according to those posted prices, the struggle to administer market prices, and other measures to resist increasing prices, hoarding goods, and profiteering speculation.

As for the party organization of agencies, we must consider their work to check the sense of organization, discipline, and responsibility of party members (including agency heads) in the implementation of the 15 codes of party members and the resolution, in the performance of their functions, in the perfection of organization, and the improvement of work.

With respect to party members, especially cadres, we should check their sense of responsibility, organization and discipline in the compliance with the resolution; their vanguard and exemplary role; and their militancy in self-criticism and criticism. We must promptly command those active cadres, party members, and people. At the same time, we must detect and resolve newly emerging problems such as violations of economic laws, theft, corruption, taking advantage of the adjustment of commodity prices to do illicit business by siphoning off state commodities to make profit from the differences in prices or by speculating in prices, causing the loss of socialist assets. Other problems are violations of the finance discipline, unprincipled use and spending of funds, and the establishment of bribery funds. We must fight all deviant and negative manifestations, even among party members and in each party organization and each party chapter in order to positively help implement the resolution and build strong, firm, and healthy party organizations and chapters.

PARTY ACTIVITIES AND GOVERNMENT

PHAM VAN DONG ATTENDS METEOROLOGY MEETING

BK100345 Hanoi VNA in English 1555 GMT 9 Dec 85

[Text] Hanoi, 9 Dec (VNA)--The General Department of Meteorology and Hydrology held a conference here from 5-7 December to review its work in the past forty years and discuss its tasks in 1986 and in the five-year plan.

Chairman of the Council of Ministers Pham Van Dong attended the conference.

Also in attendance with Vu Dinh Lieu, member of the Communist Party of Vietnam Central Committee (CPV CC) and vice-chairman of the Council of Ministers, and representatives of the CPV CC Commission for Agriculture, the State Planning Committee for Science and Technology, and the ministries and services concerned.

In the colonial days, the whole of Vietnam had only a few meteorological stations. Today, the hydro-meteorological service is provided with nearly 500 stations to assume a wide range of works, from weather forecast to the study of environmental pollution, 1,100 rain gauges and 30 survey teams.

More than 30 percent of its personnel are university or post graduates. From 1981 to 1985, the service conducted eight major government-sponsored projects.

It is closely collaborating with its counterparts in the Soviet Union, Laos, Kampuchea and other countries, and with international meteorological and hydrological organizations.

Addressing the conference, Chairman Pham Van Dong urged the services personnel to promote allround scientific research on meteorology and hydrology in collaboration with other countries in service of production, life and national defence.

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CSO: 4200/376



## ECONOMIC PLANNING, TRADE, AND FINANCE

### SUCCESS SEEN IN TRIAL PERIOD OF TRADE CHANGES IN HANOI

Hanoi LAO DONG in Vietnamese 19 Sep 85 p 4

[Article by Thieu Mai: "Visiting Some State Stores in Hanoi"]

[Text] "Hanoi's commerce is changing in order to liberate the "social housewife" from the bureaucratic aid and subsidy with which she has been burdened for many years."

That was the observation made to me by Nguyen Thanh Thien, a trade cadre, on what had been done by trade stores to implement the new orientation toward socialist business. I was not yet able to picture that change, because the old impression was too deeply ingrained in me: whenever one entered a shop to buy something he needed, commodities were displayed item by item, but there was always a sign stating "display merchandize," "issue merchandize," or "sold on orders from the corporation." Trade personnel stood in the shop, faces as cold as money, not deigning to answer questions repeated over and over by customers. Operators stood outside the shop, blocking the way and letting no one by without having questions flung in their faces: "What did you buy?" "What do you have to sell?" "Got any sugar coupons?" "Any coupons for textiles?"

Seeing my preoccupation, Thien knew what I was thinking. He commented, "Guess you haven't been to trade stores for a while, have you."

"To tell the truth, I haven't," I replied.

"Well, then, it's time you did. Personal experience will be the most convincing proof," urged Thien.

I went to the department store, one of the centers of commerce in Hanoi. The booths here had been rearranged in very attractive displays, and they were crowded with shoppers. There were large quantities of many newly displayed commodities. I estimate that there were thousands of consumer-demand commodities there, from sewing needles to bicycles and TV's, all sold freely to anyone. The processed-foods booth had such items as Chinese smoked sausage, pate of meat, gio [meat boiled in banana leaves], cha [various mashed and roasted or deep-fried fish or meat], and

sausages--foods usually available before only on the private market, the state stores tending not to sell such items. I stopped before a stall selling ready-made clothing. It was a time children were entering, since it was near the day when school started, and the stall was crowded with customers. What struck me was that there were many items of fashionable and attractive clothing. The manager of the stall told me, "These are products of the drive for joint business ventures between department stores and cotton cloth and thread corporations and manufacturing corporations. She confided, "Previously, only the consumer paid any attention to quality and attractiveness in commodities, and the state allowed us trade personnel to have the attitude of---well, the quieter the better. It is different now, for if goods do not have consumer appeal and customers do not buy them, this reflects on the activities of the store and directly on the amount of money received by the personnel of the shop according to the amount of business done."

In the household utensils booth, the majority of shoppers are people from out in the suburbs and provinces. Many comments in the suggestion booklet praised the shop for its beautiful displays, for its friendly and helpful atmosphere, for its variety of goods in response to consumer demands, and for the neat appearance and politeness of trade personnel. It is possibly because of this that business done by the department store has reached 5 million dong a day over the past few months, nearly twice as much as before.

This was not only true of the department store. When I visited a number of other trade centers, such as Bo Ho General Merchandise Store 12, No. 5 Nam Bo Street, Dong Xuan Market, new changes were evident. In addition to consumer goods, workers and civil servants of Hanoi pay much attention to food products. At the food store in Hom Market I met Mrs Nguyen Thi Chi, the assistant store manager. She had worked at the store for 14 years. In talking about the gradual changes in business practices, she summarized, "In every positive and imaginative way possible, we will strive to ensure high standards of civil trade."

Civil trade, long forgotten in the system of bureaucracy and subsidy, has reappeared and become the objective which all stores strive to attain. This is very clearly manifested in the food store in Hom Market. I passed by 12 food stalls forming a closed circle in the market. Each stall had 16-20 commodities administered by one clerk. Each of them alternatively sold goods and cut meat, and they greeted customers politely with cheerful expressions. Commodities were carefully wrapped in paper. This was hard work, but that wasn't all there was to it--the ladies also had to study the purchasing power and preferences of consumers in order to plan what to stock. The store used to accept commodities in whatever quantities the corporation poured out, accounting for any fresh food left over at the end of the day as "spoilage" and loss. It is different now, with trade personnel having the right to order according to the time of slaughter and accept amounts equal to what has been sold, so meat is always fresh. The ladies also compete to visit suburbs, wharfs, and stations to avail

themselves of sources of additional products, such as shrimp, fish, crabs, and oysters, to offer workers and outsell the outside market.

Changes are obvious in Dong Xuan, Thuong Dinh, and Kim Lien food stores.

After visiting trade stores and noting fine signs of change in stores, I went to visit Comrade Nguyen Con, director of the commerce service, who told me that over a month ago the trade sector had expanded the network by 358 commodity outlets. The entire network was repaired and displayed more of a variety and more attractive commodities than before, and central department stores were stocked at the same time. It is predicted that within 1985 about 500 million dong will be invested in reforming the commerce network.

Con said that the core of the problem of changing business orientation is to have enough commodities to answer demands of workers, civil servants, and the people. For this reason, the trade sector recently conducted joint operations with neighboring provinces to exploit sources of more goods. In August alone, the total value of purchases and sales increased 30 percent.

Many people were previously worried that when the issue system was discontinued, trade would have insufficient goods to sell. Over a month of experience has now shown that although Hanoi has as many as 100,000 transient shoppers--on the national holiday on 2 September, there were more than 300,000 shoppers from the provinces--commerce had sufficient commodities to sell, especially food staples. Not only did prices not rise--they were even lower than price subsidies to workers and civil servants.

This trial period has proven that the trade sector of Hanoi has the capability to implement socialist economic accounting.

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## ECONOMIC PLANNING, TRADE, AND FINANCE

### NHAN DAN URGES REDUCTION OF PRODUCTION COSTS

BK081511 Hanoi Domestic Service in Vietnamese 2300 GMT 2 Dec 85

[NHAN DAN 3 December editorial: "Struggle To Lower the Production Costs of Agricultural Products"]

[Text] Implementing the party Central Committee's eighth plenum resolution, the agricultural production installations are shifting to socialist economic accounting and business in which the close management of production expenses and the lowering of costs of products is one of the major contents.

The costs of agricultural products from the primary production installations having similar socioeconomic conditions are different from one another--at times, very different. The main reason for this is the difference in the standards of management. The production expenses of agricultural cooperatives and production collectives include the material and labor costs in the production process for a crop season or a year with respect to short-term crops. The direct expenses of each production sector in each production unit differs from the others. For example, the expenses of the cultivation sector include expenses for seeds, fertilizer of all kinds, irrigation, fuel and transportation, secondary materials, depreciation for fixed and exclusively used assets, labor tools, and labor costs. As a result, tight management of production expenses encompasses the managerial control of effective use of materials as well as the effective and rational use of man-days.

The close management of production expenses does not mean simply the more reduction the better. The essential thing is to get the most satisfactory use with the highest economic results of each kw-hour of electricity, each kilogram of seeds, fuel, fertilizer, and insecticide, and each man-day.

As for agriculture, if we want to effectively use technical materials, raw materials, and energy, we should satisfactorily fulfill two tasks: On the one hand, we should have sufficient good-quality materials of the right types at the right time to supply production installations; on the other, each production unit should make the best use of technical materials on hand. As a vital technical sector, making good use of all types of technical materials does not necessarily involve the abundant availability of such materials, but it is essential to use them properly, in accordance with the general technical regulations.

The fertilization of crops can produce better results if it is carried out at the right time and on schedule. Meanwhile, insecticide can help combat insects and blight more effectively if it is used at the right time and along with other general technical measures, such as rice field sanitation, use of insect-resistant rice strains, and rational irrigation.

Therefore, when materials are fully available, the correct adoption of technical regulations is the best way to economize on the use of materials and develop its efficiency, thereby diminishing the waste of these materials in every product unit.

The product contract system divides work on the rice fields into many parts. Some of these parts are under the responsibility of the collective and some are under the care of each family. However, apart from supervising the implementation of production orientations, cooperatives and production collectives must closely manage all technical links to ensure that the interrelated technical system is applied on the rice fields with high economic results.

Ensuring accurate and rational labor norms and close management of production man-days is the basis for managing production in details and reducing production costs among all cooperatives and production collectives.

After rational labor norms have been established, it is necessary to struggle against the practice of falsely reporting work credit in any form and to minimize the granting of subsidies on the basis of man-days to ensure the principle of distribution according to planned man-days, firmly maintaining the value of man-days, and encouraging every worker to engage enthusiastically in production [word indistinct] benefit of the collective.

With regard to the total amount of production work, it is necessary to closely manage indirect production work and not to allow it to reach an unusual level that could affect the distribution of income in the cooperative.

In preparing production plans for the coming year, apart from reorganizing various production sectors, all cooperatives and production collectives should estimate production expenses and the production costs of products for discussion and approval by congresses of their members in a democratic manner.

Based on their production plans, the management boards of cooperatives and production collectives must organize and closely supervise the implementation of these plans among various components and production units. Efforts must be concentrated on exploiting all existing potential in manpower, arable land, materials, and funds to create favorable conditions for all components, production teams or units, and members of the cooperatives and production collectives concerned to perform their tasks satisfactorily.

It is necessary to ensure close management of all expenditures and revenues in accordance with procedures, forms, and plans and follow production in details in each part, each animal and crop to be farmed, each profession and trade, and each production team or unit. This is aimed at creating favorable conditions for work related to economic accounting and the calculation of the production costs of each type of product.

Efforts should also be made to strictly prohibit any attempt to include payments involving corruption, waste, entertainment, and gifts in production expenses, thus causing the production costs of products to go up and the value of man-days to diminish in a false manner and making it difficult for cooperatives and production collectives to carry out economic accounting and business activities.

Lowering the production costs of agricultural products must be one of the important objectives in the struggle of workers and peasants--those who are jointly acting as collective masters.

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## LABOR

### VEGETABLE MARKET SUBJECTED TO NEW ECONOMIC ACCOUNTING

Hanoi LAO DONG in Vietnamese 19 Sep 85 p 4

[Article by Than Ly: "New Factor in the Vegetable Market"]

[Text] Ho Chi Minh City has had the Mrs Ba Thi as an exemplar for successfully terminating rice subsidy. Yet as of the end of the first half of this year, it still had subsidies for fruits and vegetables.

After liberation, local vegetables accounted for only 10 percent of the vegetables on the municipal market, but now the entire area devoted to vegetable crops provides 70 percent of market vegetables. Now the issue is merchandizing in such ways that economic accounting and socialist business practices are adopted and service is provided to the worker.

Comrade Xuan, director of the municipal fruits and vegetables corporation, said that, because of bureaucratic, subsidized ways of operating, as much as 18 percent of the vegetables were spoiling within 6 months. Spinach cost 5 dong a kg, but people would go out and pay private merchants 15 dong a kg for it. The A, B, C method of monthly awards based on the amount of business done did not motivate trade personnel to increase productivity and the quality of vegetables. Trade personnel sold produce at fixed times; if nobody bought it and it spoiled, they had only to report that the vegetables were thrown out, and this was condoned by the storekeeper. Many shortcomings persisted.

In the spirit of renovating the management system, the director and trade union chapter of the fruits and vegetables corporation coordinated on formulating plans for business and services, actuating the collective ownership of trade personnel, and tying responsibilities to benefits. They gave the store and trade personnel bonus discount certificates for each type of fruit and vegetable, and they determined which expenses were to be born by the corporation and set up 8 expense accounts for the store.

The corporation's trade union chapter and specialists selected the fruits and vegetables store in Ward 8 and Fruits and Vegetables Store No 1 as pilot projects for setting contract norms. After attaining a thorough understanding of targets and requirements for the new way of operating,



workers and civil servants at the two stores enthusiastically responded by calculating loss norms and discussing ways to reorganize the sales network and to reduce unnecessary costs. Norms formulated in each store differed widely from those of others, however, reflecting differences in educational level and organization. Then each store appointed a number of retail outlets to implement the new way of operating in order to gain experience. Based on practical results, the corporation set up a contract norm formulation council to decide on contracting plans for use by the entire corporation. The council was composed of the manager, secretary of the trade union, and occupational offices and departments.

Let's take one norm as an example. A 12-percent loss has been allowed for vegetables and fruits transported to the store from suburbs and provinces. If losses amount to 4 percent, trade personnel receive 8 percent.

The trade union coordinated with specialists to set up training courses for more than 900 workers and civil servants on the meaning, goals, and implementation of the new plans of operation. Nearly all of them applauded the new plans for encouraging good workers, but there was also strong protest in some places against not counting spoilage. The trade union went right out to such places to investigate. Ultimately, the plans' formula of "tying responsibility to economic benefit" itself attracted enthusiastic adherence from everyone.

The Go Vap fruits and vegetables store had been a weak unit for a long time; now everyone held discussions and developed ideas to store produce well, sell much, and reduce costs. They proposed strengthening and increasing leadership by adding two deputy managers, organizing two more outlets, reducing the cost of vehicle rental by using pushcarts to transport vegetables, and processing lower-quality fruits and vegetables to create new products. Huyen thi Hao took the lead by processing carrots and Chinese radishes into portions arranged in flower patterns, splitting spinach, and pickling turnip leaf fragments, all appreciated by buyers. Song, a man who used to work listlessly, thinking about going home to work on family affairs, now volunteered to sleep over and watch the store and to do extra work to remodel storage rooms and transport produce. The trade union local of the store and the leadership discussed tying responsibility to benefits between trade personnel and transport personnel, resulting in an increased sense of responsibility toward transporting produce to retail outlets on time, and transport personnel would help out with sales while waiting for their next trip.

Store No 185 used to have its produce in disorder, had a high rate of spoilage, and opened late. Now store personnel arranged produce attractively, kept it from being crushed, opened early, increased the number of vehicles doing mobile retail sales, and processed many types of vegetables with good buyer appeal.

In all stores there is always an enthusiastic atmosphere of discussion, improving organization, and striving to cut costs. Such stores as Store No



1, Binh Thanh Store, Tan Binh Store, and the Ward 8 store studied buyer preferences and brought in the right produce--they transported jute and spinach and not much momordica charantia [a bitter-tasting gourd] to family areas in the north and processed vegetables to worker areas. Binh Thanh Store adopted the slogan "Process better than small industry" and was able to process 30 percent of warehouse produce that used to be discarded. Personnel repaired their own transport vehicles and containers, conserved materials that wear out quickly in use in the store and in outlets, and loaded and unloaded their own produce, not hiring outside help. Personnel indirectly in the store arranged work to help transport and sell goods.

After 2 months of implementing the new plans of operation, the fruits and vegetables corporation won victory in many ways. Let me point out a few comparisons between May (when work was done the old way) and July. The volume of fruits and vegetables sales rose from 2,178 tons to 2,777 tons; earned profits rose from 4,823,000 dong to 10,902,450 dong; losses declined from 1.9 million (5.24 percent) to 1 million (3.48 percent); there were 3.9 million discount coupons in July, which did not exist in May; average per-capita incomes rose from 750 dong in May to 5,000 dong in July. After expenses were deducted, stores turned over 2.3 million dong to the corporation in May and 6 million in July. In addition to the big business profits and good service to buyers and civil servants, what is pleasing is the education of the new man, the socialist trade personnel; the end of selling with no need for customers; no more price hikes, diverting the good commodities out to private merchants, and parochially looking only to the store and not considering the corporation, or miserly guarding profits parochially among trade personnel, warehouses, and stores. Business has grown strong and services have improved, becoming truly oriented toward workers and civil servants.

The director and trade union chapter of the corporation coordinated closely to prepare contracts to set norms for the produce purchasing operation and motivated personnel in this operation to record expenses and participate in the effort to formulate norms, with the aim of reducing loading and unloading costs and losses and ensuring produce quality according to category and transporting produce on time and not reducing its quality. This plan is implemented to make purchasing and sales support each other, encourage each other, and inspect each other.

In sales operations, the trade union mobilized workers to contribute suggestions to improve norms and organization and make them more appropriate. The union also defined the authority of the storekeeper and clearly determined his relationship with offices and departments, established the appropriate discount rate for each type of produce (8 percent is high for potatoes, for instance, but 8 percent is low for Chinese cabbage), and set appropriate norms for the Cau Muoi and export processing stations as places of purchase and sales, but primarily wholesale trade.

Comrade Thuy, secretary of the corporation's chapter of the trade union commented that the lesson learned was that "Ideological education work must

be performed well and economic benefits must be established. The trade union and the director must coordinate closely on one hand to improve management and on the other to promote the mass movement. Selling is the sharp point, with business and services the two soft points. In carrying on business and services, we must organize purchasing and sales well, train the new man, and strengthen organization."

The fruits and vegetables corporation collective is changing itself into an "exemplar for fruits and vegetables" along the lines of economic accounting and socialist business to serve the lives of workers.

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## HEALTH, EDUCATION, AND WELFARE

### REPORTS ON ANTIALCOHOL CAMPAIGN FLOW IN

OW091303 Hanoi Domestic Service in Vietnamese 1100 GMT 8 Dec 85

[Station editor's review]

[Excerpts] Dear friends: Reports received last week from various localities say that virtually all have been intensively carrying on the campaign to prohibit cadres and party members' use of alcohol, use of grain for wine production, and illegal alcohol trading.

From reports coming from such southern localities as Ho Chi Minh City and Long An, Minh Hai, and Phu Khanh Provinces, we learned last week from resident VNA correspondents' reports and Cuu Long paper articles, that the Cuu Long provincial party committee recently issued Resolution No 23 prohibiting alcohol use and using grain for wine production.

The resolution's initial implementation shows the province has saved 10 tons of glutinous rice daily and that alcohol-related vices have markedly decreased.

Following is a front-page Cuu Long paper article on the issue: After reception of Resolution No 23 prohibiting alcohol use and rice production with grain, all organs, committees, and sectors at the provincial, city and district levels have widely conducted study sessions among their personnel and the local people.

As a result of these study sessions, significant progress has been noted: Compared with past periods, the percentage of drunk cadres, workers, and civil servants has decreased by 70-95 percent--by over 95 percent in the public security sector, by 50-80 percent in districts and cities, and by 90-95 percent in Cang Long and Chau Thanh Districts, where the resolution has been satisfactorily carried out.

Offenses related to drunkenness have decreased by 46 percent compared with 1984--including by 64 percent for crimes and 70 percent for misdemeanors. Social vices have decreased by 50 percent and traffic accidents by 35 percent. Feasting and using alcohol while working Sundays has noticeably decreased. Alcoholic feasts among the people have been sharply curtailed; no more alcohol is served in some areas. The use of glutinous rice for wine production has markedly decreased: In 1984, there were 4,042 wine-producing households in the province, using 14 tons of rice daily--with the number of wine producers now reduced by 70 percent, about 10 tons of glutinous rice are saved daily.

In the Red River Delta, the Thai Binh Provincial Party Committee has also applied a policy of motivating and educating cadres and party members as well as the people not to use alcohol and produce rice wine. The public security, tax, and cultural sectors have imposed intensive controls, educated wine-producing households and alcohol-selling restaurants not to produce or sell alcohol, confiscated rice wine-producing paraphernalia, and imposed penalties on violators.

Reports we received last week also say that many northern mountain areas have carried on the campaign to prohibit alcohol use. A Son La paper report says the Moc Chau district party organization Central Committee has issued a decision that says in part: Beginning 1 November 1985, all cadres and party members from the district to grassroots level must not get drunk under any circumstances. The same regulation applies to all cadres, workers, and civil servants of the organs under district management. Precautions must be taken to prevent cases of drunkenness leading to lax discipline, tardiness, and ruining the family economy. Every cadre, party member, worker, and civil servant must be exemplary in consciously implementing the decision and striving to help others in implementing it. The Moc Chau district party committee asks all local cadres, party members, workers, civil servants, and combatants to set an example in scrupulously implementing the decision and set in motion a widespread, vigorous movement, in order to raise efficiency in labor production and work efficiency and to contribute to satisfactorily performing the tasks entrusted to them by the party and state.

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## SCIENCE AND TECHNOLOGY

### GEOLOGIC RESEARCH IN PAST 10 YEARS REVIEWED

Hanoi TAP CHI HOAT DONG KHOA HOC in Vietnamese Jul 85, pp 1-4, 37

[Article by Tran Duc Luong and editor Dao Thi Don: "Ten Years of Inquiries and Prospecting for Mineral Resources in the South"]

[Text] After the liberation of South Vietnam, our geologic forces quickly appeared in all areas of the southern provinces. Since then, many geologic surveys, inquiries and prospecting programs for mineral resources have been conducted systematically throughout the southern provinces of our country. Over the past 10 years, with the assistance of Soviet geologists, our own geologists have registered many important achievements in unveiling subterranean secrets and discovering and evaluating mineral resources. The research projects accomplished in the south are multiform and substantial and related to all specialized branches of geology.

On those historic days and months 10 years ago, together with their compatriots throughout the country, our geologists greatly rejoiced and were enthusiastic over the brilliant victory of our people, the complete liberation of the south and the complete reunification of our country.

Under the leadership of the glorious CPV, our people arduously started a new era--that of building and firmly defending unified socialist Vietnam. As children and younger brothers of the people, our geologists clearly realized that their highly difficult but extremely glorious mission was to rapidly discover subterranean secrets to enable our party and state to formulate plans to build and develop the economy and industrialize the country. Because they had already made preparations during the years of anti-U.S. resistance for national salvation, our geologic forces quickly showed up in all regions of the country immediately after the liberation of the south. Since then, many programs of geologic surveys, inquiries and prospecting for mineral resources have been conducted systematically and urgently throughout the territory of South Vietnam.

#### I. A Review of Geological and Mineralogical Data on South Vietnam up to 1975

The data resulting from geologic inquiries was mainly represented by a set of geological maps on the 1:500,000 scale which were sporadically drawn by French geologists from the 1930's to the 1960's; some particular maps were

on a larger scale. These maps were established on the basis of scarce investigations trips. Surfaces were drawn mainly by the extrapolation method without in-depth descriptive documents and there was a complete lack of original archives. Therefore, from the viewpoint of substance and accuracy, these maps neither corresponded to the chosen scales nor could be used as a basis for deciding on scientific research and exploration of mineral resources. The most noteworthy document on aerial geologic survey was an aerial map which was drawn on the 1:1,000,000 scale by U.S. Navy aircraft but which was very difficult to use because of complete lack of the original. Nor was there any document on nationwide inquiries in the field of geohydrology and engineering geology. Clearly, the basic geologic inquiries conducted in our southern territory up to 1975 were at a very low level. A comparison with achievements in the northern territory showed that by 1975 there was a huge discrepancy between the scopes of basic geologic inquiries conducted on the territories of both regions. Naturally, this situation confronted the geologic sector of our country with the urgent task of intensifying inquiries and studies in the south and rapidly attaining an equal level of research on a nationwide scale.

At that time, the most notable mineralogical documents were constituted by the preliminary results of oil and natural gas research and prospecting on the continental shelf by some foreign capitalist companies in the final years of the Thieu administration.

However, the documents handed down to us were incomplete and inaccurate. This created many difficulties in the jobs done subsequently by the young oil and natural gas sector of our country. On the mainland, the hard-mineral mines that had been discovered and registered were very scarce and poor. They were always the Nong Son coal mine, the Bong Mieu gold mine, the Duc Bo zinc mine, the Mo Duc iron mine, the Hung Nhuong graphite mine, the Chau Doc molybdenum mine and the U Minh peat mine. Most of these mines were on a small scale and had been discovered before the 1940's. Faced with this situation, geologists in our country wondered whether it was an objective natural image of the mineral potentials of the southern region or if it was so just because of the great scarcity of inquiries and studies. Most of our geologists were inclined to the second opinion which should be proved, however. The role of subterranean fresh water is especially important in the southern region of our country, primarily in the Central Highlands, Mekong delta, Ho Chi Minh City and some coastal provinces. Until then, there was a very great danger stemming not only from the lack of scientific research and evaluation data on the state of underground water in these areas but also from reckless exploitation beyond the permissible reserve limits, which seriously damaged the underground water environment and which was typically illustrated by the situation in Saigon City in the early 1960's.

## II. Tasks Done in the Past 10 Years

Ever since the liberation of South Vietnam, thanks to the important cooperation and assistance of Soviet geologists, the Geology General Department, the Oil and Natural Gas General Department, the Vietnam Institute of Science, the colleges subordinate to the Ministry of Higher and Vocational Education,

and the research and survey institutes belonging to some economic sectors in our country have employed a fairly large work force to conduct a series of programs of research, survey and prospecting for mineral resources in the southern region of our country. Following are some typical programs:

#### Territorial Geologic Researches and Surveys

1. A program of uniform and systematic surveys for drawing a geologic map of South Vietnam on the 1:500,000 scale: This geologic map was accompanied by mineralogical maps, geologic maps covering the quaternary period, earth crust, [trong xa] and diamond deposits, and explanations of aerial and satellite pictures. This map was drawn from 1975 to 1979 and then linked to the map of North Vietnam to make a unified national map in 1981.
2. A program of surveys and drawing of a national geologic map on the 1:200,000 scale was begun in 1977. To date, surveys and drawing have been completed over one-fourth of South Vietnam's territory and are being conducted over one-half of other territories.
3. A program of surveys and drawing of a geohydrologic map on the 1:500,000 scale for the whole territory of South Vietnam: This map was drawn from 1977 to 1981 and linked to that of North Vietnam in 1984 to make a unified map for the entire country.
4. A survey is being conducted to draw a geohydrologic-engineering geology map on the 1:200,000 scale to cover the Mekong delta, eastern Nam Bo, an important part of the Central Highlands, and the coastal deltas of Central Vietnam.
5. A program of aerial geophysics surveys includes verification for the purpose of fully using an aerial map drawn on the 1:250,000 scale by the U.S. Navy and begins with a remote sensing aerial survey on the 1:200,000 scale and another one on the 1:50,000 scale over some regions which have special mineral prospects.
6. A program of geologic-geophysics surveys is being conducted to promote oil and natural gas prospecting in the Mekong delta and the southern continental shelf.
7. Geologic and hydrogeologic surveys and mapping on the 1:50,000 scale have been intensified in some regions with mineral prospects or in important economic zones (Nong Son coal basin, Ho Chi Minh City, Phan Rang area and so on).
8. A series of research topics has been accomplished according to various programs of overall basic surveys on a regional basis (Central Highlands 1, Central Highlands 2, Mekong delta 1 and 2, coastal areas of Thuan Hai and Minh Hai Provinces, state-level geologic research programs coded from 44.01 to 44.05, Intercosmos Program, and so on).

9. A series of engineering geology surveys have been accomplished in regions with reservoirs and hydroelectric dams (Phu Ninh, Dau Tieng, Tri An, Dray Linh, Trach Nham, Vinh Son, Song Dinh, and so on).

#### Mineral Research and Prospecting

1. Inquiries and prospecting have been stepped up and urgent preparations made to exploit oil and natural gas in the Mekong basin and on the southern continental shelf.

2. Prospecting has been done once again in the Nong Son coal mine. Newly discovered mines have been investigated and evaluated, such as the Ngoc Kinh and An Diem mines and the Dai Lao brown coal mine. Prospecting has been done in the U Minh peat mine. Other peat mines have been newly discovered and evaluated in Binh Tri Thien, Gia Lai-Kon Tum, Dac Lac, Kien Giang, Dong Thap, Long An, Hau Giang, and so on.

3. Investigations and evaluation have been made for the Mo Duc iron mines.

4. Inquiries, evaluation and preparations based on prospects have been made to exploit titaniferous sediments from some coastal mines (ilmenite) and to obtain useful adjacent mineral elements (zircon, monazite, and so on).

5. Inquiries, evaluation and choice of prospecting regions have been made to prepare for the exploitation of a series of bauxite mines recently discovered in the provinces of Gia Lai-Kon Tum, Lam Dong, Dac Lac and Phu Khanh.

6. The Bong Mieu lode gold mine has been researched and reevaluated; some gold sediments have been investigated and explored in Quang Nam-Da Nang and Gia Lai-Kon Tum. Inquiries and evaluation have been conducted in some newly discovered locations having lode gold prospects.

7. Inquiries and evaluation have been made in locations with tin and wolfram prospects which have been discovered recently in Tra My, Ma Ty-Du Long and Me Pu.

8. Inquiries and evaluation have been conducted in the Nui Sam, Ko Rong Pa, molybdenite mine and other newly discovered locations with molybdenite prospects.

9. Inquiries and evaluation have been conducted in newly discovered locations having X and Y radioactive ore prospects.

10. A newly discovered pyrite mine in Nam Dong, Binh Tri Thien Province, has been investigated and quickly prepared for prospecting.

11. Inquiries, evaluation and prospecting preparations have been made in some large-scale kaolin and argillaceous kaolin mines in Nghia Binh, Lam Dong and Song Be (to promote production of fireproof porcelain and artistic pottery).



12. The Hung Nhuong graphite mine has been investigated and explored.
13. Bentonite and diatomite mines have been discovered, investigated and assessed in Gia Qui, Di Linh and Song Ba.
14. Limestone mines have been investigated and assessed in Ha Tien, Xuan Son, Thach My and Chu Xe Tay Ninh.
15. Phosphorite mines have been investigated and assessed in Xuan Son and Ha Tien.
16. Clay mines destined for brick and tile production have been investigated and assessed in various localities.
17. Sources of precious stones (zirconium and sapia granat) related to basaltic eruptions have been discovered and preliminarily assessed in some regions.
18. Sources of mineral waters and liquids have been discovered, investigated and assessed in the provinces of Binh Tri Thien, Quang Nam-Da Nang, Phu Khanh, Dac Lac, Nghia Binh, Thuan Hai and Dong Nai.
19. Subterranean waters have been investigated and explored in many areas of northern Trung Bo and in Quang Nam-Da Nang, Gia Lai-Kon Tum, Dac Lac, Song Be, Ho Chi Minh City, Dong Nai, Long An, Cuu Long, Kien Giang and Dong Thap.

### III. Notable Achievements in Geologic Research and Mineral Prospecting in South Vietnam

By doing a large volume of research and investigations as said above, geologists in our country have registered many important achievements in unveiling subterranean secrets and discovering and assessing mineral resources in the southern region of our country.

Though being merely initial achievements scored during a short historic time, the results of research conducted by geologists in our country are really multiform and substantial and related to all specialized branches of geology.

The discovery of granulite formations and metamorphic manifestations during the archeozoic era in the Kon Tum shield; the distinction from the viewpoint of structural composition and metamorphic manifestations between early Archeozoic and Proterozoic formations and early and late Proterozoic ones in this shield; the determination of the early Paleozoic age of a type of sedimentary ripple in the southern section of the great Vietnam-Laos ripple; the discovery of a series of Devonian sediments lying above older ones in this region; the discovery of a series of volcanic sedimentary rocks of the late Paleozoic era in areas with late Paleozoic volcanic sediments in the region of Ban Don and the Gulf of Thailand; the demonstration of the Jurassic age of a series of thermally metamorphic sediments in the Da Lat region; the clear distinction between many series of volcanic sediments in different strata during the Mesozoic era (Triassic, intermediate Jurassic,

late Jurassic-early Cretaceous, and late Cretaceous periods); the division of different series of sediments in the cross-section of the early Cenozoic basin in the continental shelf; and the distinction from the viewpoint of systematic composition and ages between particularities of Quaternary sedimentary formations--all that must perhaps be considered as discoveries of prime importance in the realm of stratigraphy, paleontology and petrology including the study of sedimentary, igneous and metamorphic rocks. Likewise, the description and first establishment in South Vietnam of a magmatic graduation of many origins and cycles from the Archeozoic era to the Quaternary period, with the most outstanding feature of this achievement being the initial determination of many series of late Proterozoic and early Paleozoic magmas; the discovery of the Tam Ky-Hiep Duc ophiolite belt; the recognition of and distinction between various series of intermediate and late mesozoic magmas which shaped a unique active magmatic zone along the coastal areas of southern Trung Bo (Da Lat zone); and the discovery of detrital forms of magma crystallizing into magnetite sources within Cenozoic basaltic formations, and so on, must be considered as the most typical achievements in petrographic and petrologic researches on magmatic rocks in the southern region of our country. Generally speaking, the most interesting discoveries on mineral structural composition and formation in the southern territory of our country have centered on the connective zone between the great Vietnam-Laos ripple and the Kon Tum shield, on the zones which smashed the mass of the Kon Tum shield, on the zone of active magmatic structural composition during the late Mesozoic era in the coastal areas of southern Trung Bo and on tiered Cenozoic depressions on both the continental shelf and mainland. There are separate zones of mineral structural composition and creation: Pegmatite, coal, uraninite, thorium, gold and multimetallic sulfur in the first zone; gold, multimetallic sulfur and uraninite-thorium-rare earth elements in the second zone; molybdenite, copper-molybdenite-multimetallic sulfur elements, gold-silver elements, tin and wolfram in the third zone; and oil, natural gas, brown coal, bentonite, diatonite and subterranean water in tiered Cenozoic depressions.

The above-mentioned data coupled with the results of research projects in other domains--such as the discovery of the law on subterranean water preservation and circulation in the Mekong delta, the coastal deltas of Central Vietnam, and the Central Highlands; the explanatory documents on geophysics fields related to superficial and subsurface structures; the explanatory documents related to satellite pictures of lineaments and fairly original circular structures; the research documents on various types of tropical zones during the Cenozoic period; and the research documents on landforms and new structural formations--have deepened our knowledge of the development history and structural state of our country's underground to a much greater extent than the knowledge obtained until 10 years ago. The important thing is that these achievements have been and will continue to be an important basis for determining the direction of investigations and discoveries of mineral mines in the southern region of our country. We are enthusiastic about and proud of the initial achievements scored in discovering, investigating and exploring mines over the past 10 years.

A glance at the present registered mineral map of the southern region of our country will show clearly hundreds of mines and deposits of metallic and

nonmetallic mineral ores of more than 10 kinds. Considering the scope of mineral research and prospecting done so far and in view of the degree of abundance of mineral reserves and their economic significance, we must pay attention to the following three groups:

The first group includes mineral which have been found plentiful in specific mines, which have an industrial value and which can play an important role in long-term strategy for developing the mining and processing industries in our country. These minerals are oil and combustible gas; buaxite for the aluminum refining and alloying industry; kaolin for the industry that produces fireproof materials, porcelain and potteries; crystalline sand for the manufacture of glass and crystal wares and optical instruments; bentonite used in the oil and natural gas drilling and mining industry and for other purposes; and graphite for the industry which produces batteries, casting molds and electrodes.

The second group includes various kinds of minerals which are in common use, which are scattered in many areas and which can be exploited and employed to meet the present urgent need for raw materials. They are peat used as fuel and fertilizer; phosphorite to make fertilizer; argillaceous kaolin to make porcelain, potteries, fillers and additives; clay to make bricks and tiles; laterite, puzzolan, limy clay and other unbaked building materials; ilmenite and zircon contained in coastal schlichs; mineral and thermal waters; underground waters for use in important economic zones; and powdered colors, fillers and additives to make paints and paper and to process rubber, etc.

The third group includes the following minerals which hopefully can be found in great abundance: gold (especially lode gold mines), uranium and thorium, molybdenum and multimetallic molybdenum, tin and wolfram (in basic and schlich forms in coastal areas), precious stones (sapphire corinden, zircon, amethyst, and so on), pegmatite and mica (in the Dai Loc pegmatite field), and opalite rock of the granite group (of good quality).

The above classification may draw our geologists' particular attention to different groups of materials while doing research at the present time and in the near future.

Concerning minerals of the first group, the problem is to verify the accuracy of the evaluation of their reserve and quality, primarily in the selected large mines. The structure and physical composition of minerals, the characteristics of the screening and refining industry, and the economic and technical conditions of mining are factors of prime importance in assessing the economic and technical value of mines.

Minerals of the second group are a type of mineral materials of very practical significance in the present stage. The problem is to apply assessment methods appropriate to small mines and to do so quickly and realistically. In this respect, it is necessary to directly coordinate geologic assessment with possibilities of simple mining and processing and to rapidly create new sources of raw materials to meet the present urgent requirements of the agricultural, building material and consumer goods sectors.

Minerals of the third group must be considered attractive objects deserving special attention of geologists who must intensively study laws on formation and distribution of specific minerals in each ore zone and bed and who must determine the best scientific direction for rapidly discovering and evaluating minerals of industrial value and good quality whose reserves are on a large scale.

Over the past 10 years, owing mainly to the active and effective assistance of Soviet geologists, we have obtained important results from geologic and mineral research on the territory of the southern region of our country. Inspired by the achievements made, we are fully convinced that the large contingent of geologists in our country will continue to move forward and work valiantly and creatively in order to score more brilliant achievements so as to make a worthy contribution to successfully building and firmly defending our beloved socialist Vietnam.

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